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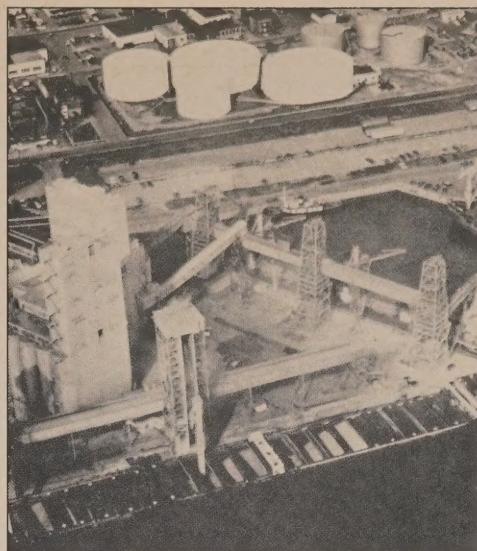
Marc Dulude
Director of Marketing
Port of Québec Corporation
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COVER

Trois-Rivières: 14

The port that traces its history to the seventeenth century, looks to the future with pride.



PORT OF TROIS-RIVIÈRES

ARTICLE VEDETTE

Trois-Rivières: 18

Du troc des fourrures à la manutention de produits forestiers, rien n'est à l'épreuve de ce port en constante évolution.

Cover page/Couverture
Port of Trois-Rivières 1840s
Le port de Trois-Rivières vers 1840

Survival of the Fittest: 9

The danger signals in the Free Trade Accord with the US that should not be ignored.



Europe 1992: 38

Le marché unique européen constitue à la fois un objectif réalisable et un concept optimiste.



EC NEWSLETTER

PORTUS (Latin for "port") is published quarterly by Ports Canada, 99 Metcalfe St., Ottawa, Ontario, K1A 0N6. **PORTUS** welcomes articles on national or international trade and transportation issues.

Manuscripts and correspondence on editorial matters should be addressed to The Editor. Requests for republication or reproduction of articles from **PORTUS** should also be directed to The Editor.



Le magazine PORTUS (« port » en latin) paraît quatre fois l'an et est publié par Ports Canada, 99, rue Metcalfe, Ottawa, Ontario K1A 0N6. La rédaction accueille favorablement les articles traitant de commerce et de transport, tant sur le plan national qu'international. Prière d'adresser au rédacteur en chef les manuscrits et lettres, ainsi que les demandes de réédition ou de reproduction d'articles parus dans PORTUS.



SAINT-PIERRE ET MIQUELON

ST. JOHN'S

The French fishing fleet has regained access to Canadian ports as of March 31, 1989. The federal government had closed Canadian ports to French fishing vessels as part of a boundary dispute between Canada and France in the area off the islands of St. Pierre and Miquelon. Resolution of this dispute may be in sight, following an agreement of the two countries to submit the dispute to arbitration. Providing services to the French fishing fleet is an important economic activity at the Port of St. John's.

HALIFAX

The Halifax Port Corporation has announced the appointment of Captain Claude Ball as Senior Vice President and Chief Operating Officer effective July 1, 1989. Captain Ball joined the port corporation in 1985 and was previously Vice President Operations / Harbour Master. Captain Ball's responsibilities include operations, engineering and works, finance and administration, and police and security.

The two container terminals at the Port of Halifax will both be upgrading their lifting capabilities. The Ceres Container Terminal has ordered a new gantry crane for delivery in May 1990. Ceres' purchase of the crane is part of a larger \$10 million investment in container handling equipment. As well, the port's Halterm



HALIFAX PORT CORPORATION

Captain Claude Ball

Container Terminal has just completed a \$10 million equipment replacement and crane modification program. The key aspect of this program was the revamping of crane #1 to extend its reach and height. With the new crane purchase by Ceres, the Port of Halifax will be served by a total of six gantry cranes at its two terminals.

Italian Line has changed its Canadian port-of-call from Montréal to Halifax. The move comes as a result of the shipping line's decision to purchase new ships with a capacity of 2,200 TEUs, or twice the capacity of its previous ships. The Port of Halifax is in a better position to handle these ships due to ship size restrictions on the Saint Lawrence. Italian Line is also doubling the frequency of its service to Canada with weekly calls.

SAINT JOHN



Shirley McAlary

Shirley McAlary, a member of the Board of Directors of the Saint John Port Corporation, has been named Transportation Person of the Year by the National Transportation Week committee of the Traffic Club of Saint John. Ms. McAlary is employed by Air Canada and, in addition to serving on several other business and transportation boards and agencies, is a past president of the Traffic Club of Saint John.

SEPT-ÎLES

On July 7-9 and 14-16, 1989, *Festivités Annuelles Nautiques de Sept-Îles, Inc.* (FANSI) held its annual maritime festivities at the Port of Sept-Îles. Jean-Maurice Gaudreau, General Manager of the Port of Sept-Îles, served as Lieutenant Commander for this year's activities with Valmond Bourgeois, the Wharf Superintendent at the port, as a special adviser. A special highlight of this year's event was the participation of the Coast Guard vessels: *Simon Fraser* and *H.M.C.S. Skeena*.

MONTRÉAL

Dominic Taddeo, General Manager and Chief Executive Officer of the Montréal Port Corporation, has been named Transport Personality of the Year for the Province of Quebec. The announcement was made by André Dumas, Provincial Chairman of the National Transportation Week.

Effective July 1, 1989, the Quebec provincial police force, Sûreté du Québec, took over patrol of the Champlain and Jacques Cartier bridges from the Ports Canada Police. The Ports Canada Police have patrolled the two bridges since they were constructed in 1929 and 1962. As a result of this change in responsibility, the size of the Montréal detachment of the Ports Canada Police is being reduced by 28 members.

VANCOUVER

On June 1, 1989, the largest passenger ship ever to enter the Port of Vancouver arrived on her maiden visit. The 1,470 passenger *Star Princess*, built at a cost of \$200 million (US), began making 12-day voyages between San Francisco and Alaska, with calls at Victoria and Vancouver. The arrival of the *Star Princess* signifies the success of Vancouver and the B.C. coast in becoming a major cruise destination. To assist in its development as a base-port for cruise-ship lines and to encourage cruise operators to extend their stay at the port, the Vancouver Port Corporation has initiated frequent-caller discounts to refund up to 20 percent of the port charges paid by cruise vessels visiting the port. ☀

• Brian Acheson

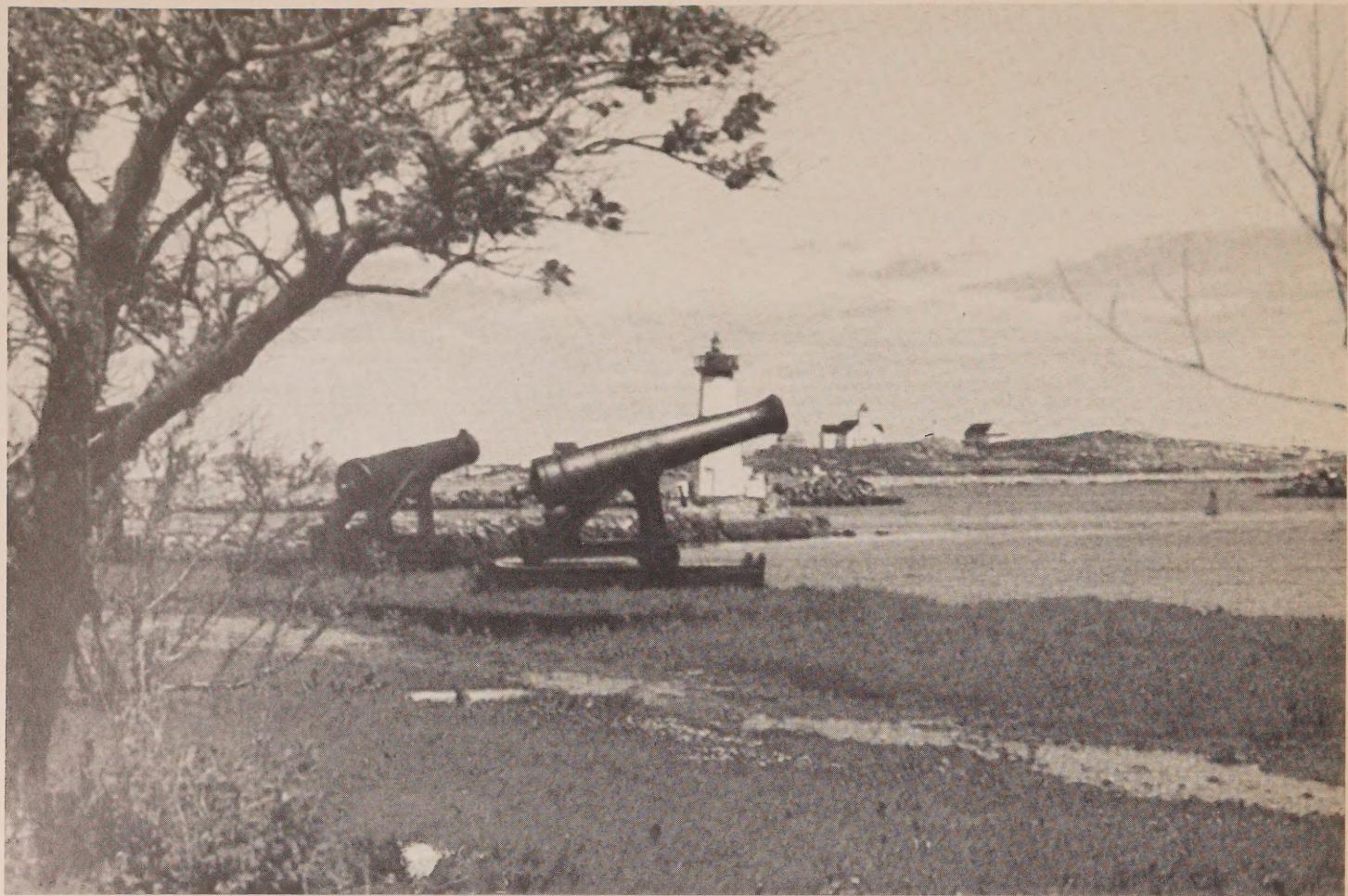


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SAINT-PIERRE ET MIQUELON

ST. JOHN'S

Les bateaux de pêche français ont de nouveau accès aux ports canadiens depuis le 31 mars 1989. Le gouvernement fédéral leur avait fermé l'entrée de nos ports dans le cadre d'un conflit entre le Canada et la France portant sur les limites territoriales autour des îles de Saint-Pierre et Miquelon. On peut espérer en la résolution prochaine de ce différend, les deux pays ayant convenu de le soumettre à l'arbitrage. Les services fournis aux bateaux de pêche français constituent une activité économique importante du port de St. John's.

HALIFAX

La Société de port d'Halifax a annoncé la nomination du capitaine Claude Ball au poste de vice-président et chef de l'exploitation à compter du 1^{er} juillet 1989. Le capitaine Ball, entré à la Société en 1985, était auparavant vice-président de l'exploitation, et capitaine du port. Il est désormais responsable des opérations, du génie et des travaux publics, des finances et de l'administration, de la police et de la sécurité.

Les deux terminaux à conteneurs du port d'Halifax s'apprêtent à accroître leur capacité de levage. Le terminal à conteneurs Ceres a commandé une nouvelle grue à portique pour le mois de mai 1990. Cette opération s'inscrit dans le cadre d'un plan d'investissement de 10 millions de dollars portant sur l'achat d'équipements de manutention des conteneurs. De même, le terminal Hal-

term vient de boucler un programme de 10 millions de dollars, concernant le remplacement d'équipements et la transformation des grues. Le principal volet de ce programme a consisté à moderniser la grue n° 1 pour en accroître la portée et la hauteur. Grâce à l'acquisition réalisée par le terminal Ceres, le port d'Halifax sera équipé au total de six grues à portique.

La compagnie *Italian Line* a transféré son port d'attache canadien de Montréal à Halifax. Ce déménagement fait suite à la décision prise par la compagnie d'acheter de nouveaux navires d'une capacité de 2 200 unités EVP, soit le double de la capacité des navires qu'elle possède. Compte tenu des limitations imposées à la taille des bâtiments qui transitent par le Saint-Laurent, le port d'Halifax se trouve mieux placé pour accueillir ces navires. *Italian Line* vient aussi de doubler la fréquence de son service avec le Canada, à raison d'un voyage par semaine.

SAINT JOHN

Shirley McAlary, membre du Conseil d'administration de la Société du port de Saint John, a été désignée employée de l'année par le comité organisateur de la Semaine nationale du transport du *Traffic Club* de Saint John. Mme McAlary travaille actuellement à Air Canada. Ex-présidente du *Traffic Club* de Saint John, elle siège également au sein d'autres organismes et au Conseil d'administration d'entreprises commerciales et de transport.



PORT DE SEPT-ÎLES

SEPT-ÎLES

Du 7 au 9 et du 14 au 16 juillet 1989 ont eu lieu au port de Sept-Îles les Festivités annuelles nautiques de Sept-Îles (FANSI). Cette année, l'organisation des activités a été confiée à Jean-Maurice Gaudreau, directeur général du port de Sept-Îles, à titre de lieutenant-commandant, avec l'aide de Valmond Bourgeois, surintendant des quais, qui occupait les fonctions de conseiller spécial. Cette année, cette manifestation a surtout été marquée par la participation du navire de la Garde côtière, *Simon Fraser*, et du H.M.C.S. *Skeena*.

MONTRÉAL



SOCIÉTÉ DU PORT DE MONTRÉAL

Dominic Taddeo

Dominic Taddeo, directeur général et dirigeant principal de la Société du port de Montréal, a été désigné employé de l'année pour la province de Québec. Cette annonce a été faite par André Dumas, président provincial de la Semaine nationale du transport.

Depuis le 1^{er} juillet 1989, succédant à la Police de Ports Canada, la police provinciale du Québec, soit la Sûreté du Québec, assure la surveillance des ponts Champlain et Jacques-Cartier. Ces deux ponts étaient placés sous la garde de la Police de Ports Canada depuis leur construction soit, respectivement, depuis 1929 et

1962. À la suite de ce transfert de responsabilité, les effectifs de la Police de Ports Canada à Montréal ont été réduits à 28 personnes.

VANCOUVER

Le 1^{er} juin 1989, le port de Vancouver a reçu la visite, à l'occasion de son voyage inaugural, du plus gros paquebot qu'il ait jamais accueilli. Le *Star Princess*, d'une capacité de 1 470 passagers et d'un coût de 200 millions de dollars US, a entamé sa première croisière de 12 jours entre San Francisco et l'Alaska, avec des escales à Victoria et Vancouver. Cette visite du *Star Princess* montre à l'évidence que Vancouver et la Colombie-Britannique sont devenus une destination de plus en plus recherchée. Pour accroître ses activités en tant que port d'attache des compagnies maritimes spécialisées dans les croisières et pour encourager les organisateurs de ce genre de voyages à prolonger le séjour des navires dans le port, la Société du port de Vancouver a mis en place un programme aux termes duquel elle accorde fréquemment des remises pouvant aller jusqu'à 20 p. 100 des droits portuaires imposés aux bateaux de croisière qui transitent par le port.

• **Brian Acheson**



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EDITOR-IN-CHIEF

Hassan J. Ansary

ASSOCIATE EDITORS

Jo-Anne Doucet
Lisa Robertson

FRENCH EDITOR

Anne Laliberté

DESIGN AND PRODUCTION

Instructional Media Centre
1145 Carling Avenue
Ottawa, Ontario
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373 Coventry Road
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Sylvie Picard
Louise PresseauPublished quarterly by
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Ports Canada describes a federal system of ports located in Belledune, Chicoutimi, Churchill, Halifax, Montréal, Port Colborne, Prescott, Prince Rupert, Québec, Saint John, Sept-Îles, St. John's, Trois-Rivières and Vancouver.

Canadian Parliamentary Scene

House of Commons
and Senate

The House of Commons and Senate were in recess during the Summer. The House reconvenes on September 25 and the Senate returns at the end of October 1989. The House of Commons Standing Committee on Transport will also resume its work in the autumn. The Committee has not yet officially released a work program, but it is expected that Canadian National, VIA Rail and the Saint Lawrence Seaway will be on its priority list.

Canadian Transportation
Accident Investigation and
Safety Board Act

On June 20, 1989, the House of Commons passed the *Canadian Transportation Accident Investigation and Safety Board Act*. The new Act received Royal Assent on June 29, 1989. It is expected that the Board will be established and in operation by January 1, 1990.

The Act creates a new Board which will investigate and report on occurrences in all transportation modes and commodity pipelines. It will be empowered to make

- recommendations aimed at eliminating or reducing any safety deficiency in the transportation sector.

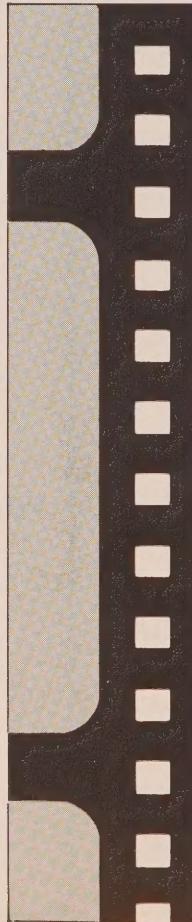
At & East Subsidy

Bill C-26 received first reading in the House of Commons in June 1989, just before adjournment. The objective of the Bill is to terminate the At & East Subsidy following the announcement made in the Federal Budget on April 27, 1989.

The At & East Subsidy applied to grain and flour exports moving from the Great Lakes ports by rail to Saint Lawrence and Atlantic ports. Elimination of the At & East Subsidy is expected to have severe consequences for the movement of grain and flour traffic at the Atlantic ports of Halifax and Saint John. However, the Port of Montréal anticipates an improvement in flour exports. As well, grain elevators at Saint Lawrence ports should capture some of the grain traffic that has moved under this program to the Atlantic ports.

Bill C-26, when passed, will make the elimination of the At & East Subsidy retroactive to July 16, 1989. The Bill will be a priority item for the House when it reconvenes in September.

- Ginette Morin and Graham Pettifer*



Ports Canada

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Sur la Colline

La Chambre des communes et le Sénat

Les débats de la Chambre des communes et du Sénat ont été suspendus durant l'été. La Chambre reprendra le 25 septembre et le Sénat, à la fin du mois d'octobre. Le Comité permanent sur les transports de la Chambre des communes se remettra également au travail cet automne. Bien que le Comité n'ait pas encore rendu public son programme de travail, on s'attend à ce que les sujets de priorité soient les activités du Canadien National, de VIA Rail et de la Voie maritime du Saint-Laurent.

Loi établissant le Bureau canadien d'enquête sur les accidents et la sécurité dans les transports

Le 20 juin 1989, la Chambre des communes a adopté la *Loi établissant le Bureau canadien d'enquête sur les accidents et la sécurité dans les transports*. Cette nouvelle loi a été sanctionnée le 29 juin 1989. Le Bureau sera mis sur pied et entrera en fonction d'ici le 1^{er} janvier 1990.

La loi établira un nouveau Bureau qui procédera à des enquêtes et préparera des rapports sur les accidents survenus dans tous les modes de transports et des producto-

ducs. Il sera chargé de faire des recommandations sur les moyens d'éliminer ou de réduire toute lacune dans le secteur des transports.

Subventions "à l'est de"

Le projet de loi C-26 a reçu une première lecture à la Chambre des communes en juin 1989, juste avant la suspension des débats. Le projet de loi vise l'élimination du programme de subventions "à l'est de" à la suite du dépôt du budget fédéral, le 27 avril 1989.

Les subventions "à l'est de" étaient versées aux chemins de fer pour soutenir les exportations de céréales et de farine qui transitent dans les ports de la côte atlantique. On s'attend à ce que la disparition du programme de subventions ait des effets néfastes sur les céréales et la farine transitant dans les ports d'Halifax et de Saint John (N.-B.). Toutefois, le port de Montréal prévoit des améliorations dans ses exportations de farine. De plus, les élévateurs à grain des ports situés sur le Saint-Laurent devraient accaparer une part des céréales qui transitaient autrefois par les ports de la côte atlantique grâce au programme de subventions.

Le projet de loi C-26, à son adoption, rendra l'élimination des subventions "à l'est de" rétroactive au 16 juillet 1989. Il sera en liste de priorité lorsque la Chambre reprendra ses débats en septembre.

• *Ginette Morin et Graham Pettifer*

P · O · R · T · U · S

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RÉDACTEUR EN CHEF

Hassan J. Ansary

RÉDACTRICES ADJOINTES

Jo-Anne Doucet
Lisa Robertson

RÉDACTRICE FRANÇAISE

Anne Laliberté

CONCEPTION ET PRODUCTION

Centre de la médiatique
1145, av. Carling
Ottawa (Ontario)
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IMPRESSION

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SERVICES DE SOUTIEN

Sylvie Picard
Louise Presseau

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Ports Canada

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« L'aspect indispensable des ports »

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Date limite : le 1^{er} octobre 1989

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Slow Summer

The slow start in tonnage performance and business activity experienced by Ports Canada in the first quarter of 1989 has maintained its pace throughout the six-month period. Ports Canada facilities handled 36.2 million tonnes of cargo since the beginning of the year, which represents a decrease of four million tonnes over the corresponding period in 1988. While commodities such as coal and minerals show a definite increase in recorded tonnage, grain fell more than 5 million tonnes short of the 1988 second quarter performance. Net income, at \$20.6 million, was \$1.7 million lower than the first six months of 1988.

The Canada Ports Corporation, which includes all the non-corporate (Divisional) ports, saw its quarterly traffic decrease from 1.8 million tonnes in 1988 to 1.4 million tonnes in 1989. Sept-Îles, however, experienced a significant growth in transshipment, 83,000 tonnes more than last year. Both Chicoutimi and Trois-Rivières saw an increase in petroleum tonnage compared

- with the corresponding 1988 period.
- With a traffic level of 284,000 tonnes, the St. John's Port Corporation recorded an increase of 55,000 tonnes for the second quarter of 1989 compared with that of 1988.
- Net income for the six months of 1989 surpassed the 1988 period by \$194,000.
- At the Halifax Port Corporation, net income was also on the increase, \$787,000 higher than last year. Containerized cargo volumes showed an increase of 195,000 tonnes over the six-month period, which brings total tonnage up 113,000 tonnes.
- Net income at the Saint John Port Corporation was \$93,000 higher than last year, but the overall cargo volume showed a decrease of 186,000 tonnes, with grain and potash mostly responsible for the decline.
- The Port of Québec Corporation experienced a decline from the 1988 period of 2.2 million tonnes of grain. Other commodities, however, reported strong increases, and net income at \$62,000 was \$394,000 higher than the first six months of 1988.

- Grain volumes were also down significantly at the Montréal Port Corporation.
- Traffic totalled 8.3 million tonnes for the period ending June 30, 1989, a decrease of 1.3 million tonnes from the previous year.
- Net income was \$819,000 compared with \$5.4 million in 1988.
- On the west coast, second-quarter net income represented an increase of \$800,000 over 1988, at the Vancouver Port Corporation. Volumes to June 30, 1989, are recorded at 14.1 million tonnes compared with 14.3 million tonnes for the previous period. Traffic such as coal and coke, offset lower-than-normal grain volumes through the port.
- The Prince Rupert Port Corporation experienced a drop of 1.3 million tonnes in the second quarter of 1989, from the same period in 1988, due mainly to a decrease in grain shipments. Net income was also on the decrease, falling \$504,000 short of the corresponding 1988 results.

• *Jo-Anne Doucet*

LES AFFAIRES

Au ralenti

Le ralentissement constaté par Ports Canada au cours du premier trimestre de 1989 pour ce qui est du tonnage et du chiffre d'affaires s'est maintenu tout au long du semestre. Depuis le début de l'année, les installations de Ports Canada ont manutentionné 36,2 millions de tonnes de fret, ce qui représente une diminution de 4 millions de tonnes par rapport à la même période en 1988. Si l'on note des progrès sensibles en ce qui concerne le tonnage enregistré pour des marchandises comme le charbon et les minéraux, le volume des céréales a chuté de plus de 5 millions de tonnes, si on le compare au résultat du deuxième trimestre de 1988. Le bénéfice net, de 20,6 millions \$, est inférieur de quelque 1,7 million de dollars au chiffre enregistré pendant les six premiers mois de 1988.

La Société canadienne des ports, dont font partie tous les ports non constitués en société (ports divisionnaires), a vu son trafic passer de 1,8 million de tonnes en 1988 à 1,4 million de tonnes en 1989 au cours du deuxième trimestre. Sept-Îles, toutefois, a connu une nette augmentation dans le secteur du transbordement, augmentation qui se chiffre à 83 000 tonnes. Quand à Chicoutimi et Trois-Rivières, ils affichent une aug-

- mentation du tonnage de produits pétroliers traités, par rapport à la même période en 1988.
- Pour le deuxième trimestre de 1989, la Société du port du St. John's enregistre un trafic de 284 000 tonnes, inférieur de 55 000 tonnes au résultat de 1988. Au terme des six premiers mois de 1989, le bénéfice net est en progrès de 194 000 \$ par rapport à 1988.
- À la Société du port d'Halifax, le bénéfice net est aussi en hausse, de 787 000 \$ en un an. Les volumes de marchandises conteneurisées se sont accrûs de 195 000 tonnes en six mois, ce qui porte l'augmentation du volume total à 113 000 tonnes.
- Le bénéfice net réalisé par la Société du port de Saint John a dépassé de 93 000 \$ le chiffre enregistré l'an passé, mais le volume de fret global accuse une baisse de 186 000 tonnes attribuable principalement au ralentissement constaté dans les secteurs des céréales et de la potasse.
- En un an, les volumes de céréales traités par la Société du port de Québec ont diminué de 2,2 millions de tonnes. En revanche, on constate une augmentation sensible pour ce qui est des autres marchandises, et le bénéfice net, de 62 000 \$, représente une augmentation de 394 000 \$ par rapport aux six premiers mois de 1988.

- On enregistre aussi une baisse sensible des volumes de céréales traités par la Société du port de Montréal. Le trafic total s'est élevé à 8,3 millions de tonnes au 30 juin 1989, soit une diminution de 1,3 million de tonnes en un an. Le bénéfice net se chiffrait à 819 000 \$, contre 5,4 millions \$ en 1988.
- Sur la côte ouest, le bénéfice net enregistré par la Société du port de Vancouver au cours du deuxième trimestre était en hausse de 800 000 \$ par rapport à 1988. Quant aux volumes traités au 30 juin 1989, ils s'élevaient à 14,1 millions de tonnes (14,3 millions de tonnes en 1988). Les progrès constatés au chapitre de marchandises comme le charbon et le coke compensent la baisse des volumes de céréales manutentionnés dans le port.
- Le volume a baissé de 1,3 million de tonnes au cours du second trimestre de 1989 à la Société du port de Prince Rupert, comparativement à la période correspondante de 1988. Cette chute est principalement attribuable à la diminution des expéditions de céréales. Le bénéfice net, également en baisse, était de 504 000 \$ inférieur à celui de la même période de 1988.

• *Jo-Anne Doucet*

DANGER SIGNALS

Free Trade and the Canadian Transportation System

by Douglas B. Wurtele*

INTRODUCTION . . . a lack of transportation industry analysis

During the past few years, there has been heated debates in Canada over the potential advantages and disadvantages of the proposed special trade arrangements with the United States. However, it would seem that most of those involved have accepted the need for some trading agreement, as Canada could not continue in a position of semi-isolation and maintain the standard of living most Canadians want.

In this regard, between the Wars, Canada had enjoyed the benefits of Imperial Preference in trading with the United Kingdom and the Commonwealth nations. Also during this period, Canada supplied Britain with large quantities of forest

- products, grain and other food products as well as raw materials, and in return
- imported finished commodities such as clothing, aircraft and manufactured food products. During that period, Britain had a healthy balance of hard currency, which was used on occasion to balance Canada's deficit in US dollars. The last War altered this position, and Canada's trade with the United Kingdom declined. This situation was accelerated by the development of the European Common Market and Britain's growing self-reliance in such Canadian exports as grain. As a result, trade with the United States grew until it became the nation's largest trading partner. Tariff barriers on both sides of the border tended to create controversy and to damage trade relations. The Auto Pact was an example of the advantages to be realized from sound
- trading arrangements. Thus, rather than remain in a position of isolation, arrangements were negotiated between the two countries which would permit a freer flow of goods.
- Until the beginning of this year, when the Free Trade Agreement became effective, a great many Canadian industries were provided with some protection through tariffs from the exporting corporations south of the border. With the gradual removal of these tariffs, this protection will disappear leaving Canadian industry in direct competition with US competitors in both markets. In some cases, it may be difficult to overcome the advantages of size and production runs, but in others the expanded market may provide Canadian business with greater opportunities.
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LE SAINT-LAURENT MAIS ET KLAUS

With respect to transportation, it was specifically excluded from the Agreement, and therefore, many interests tended to believe that these services would be isolated from the impact of the Free Trade Agreement. Perhaps it is for this reason that there seems to have been very little time spent in analyzing the effects of the Agreement upon the Canadian transportation system. The purpose of this article is to examine the possible impact and its implications upon Canadian business and the transportation system itself.

However, the observations that follow should not be misconstrued as being in opposition to the Free Trade Agreement. Our ability to manage the changing trading patterns will determine our advantages and our disappointments - an observation that applies to the transportation industry as it does to so many others.

HISTORY . . . setting the stage

Since the early days of Canada's history, a strenuous effort has been made to develop and preserve east-west transportation routes. In the earliest instances, the aggressive stance of the new nation to the south forced the development of waterways distant from the borders with the United States (a typical example is the Rideau Canal running between Ottawa and Kingston). Later, the CN Rail track from Halifax to Montréal was laid as far from the border as possible and is the basis for one of the Maritime freight subsidies which compensates for the resulting longer distance.

The dream of developing a nation stretching from Coast to Coast needed an all-Canadian transportation connection, and so a railway was built through Northern Ontario and across the Prairies and through the enormous natural barrier of the Rocky Mountains. Later a second line was constructed. During the very early years of the two Great Wars, had these railways not been in place, it would have been extremely difficult to move military supplies without compromising American neutrality. Moreover, the railways have contributed a great deal to the building, development and consolidating of the regions of Canada into one nation. For many years the only way to move people and produce across the country was by railway.

In the air, the Federal Government in the 30s thought it essential to have an all-Canadian air route across Canada. At that time, several refueling points were needed between Toronto and Winnipeg owing to the short range of the aircraft of the period. These refueling points had to be located in Northern Ontario, where the weather could too often be relied upon to be bad. It was not unusual in those days to be grounded at such points for days. Meanwhile, those travelling by rail would have arrived in Vancouver. Thus, the railway-inspired saying "time to spare, go by air", was coined. Under such conditions, it was

- extremely difficult to develop reliable schedules and yet the alternative would have been to develop routes south of the lakes through the United States. In doing so, Canada would have become dependent upon the goodwill of its neighbours. It preferred to be independent.

With regard to road options, during the first 90 years of Confederation, it was not possible to move by road between Toronto and Winnipeg and in the 30s, it was most difficult and dangerous to cross the Rocky Mountains by road. It was not until 1952 that the TransCanada Highway was completed.

Thus, all through Canadian history, east-west transportation has been an economic and political hurdle to overcome in the

Our ability to manage the changing trading patterns will determine our advantages and our disappointments.

- development and preservation of the nation. In the future, governments may well consider a TransCanada transportation system as an important element in maintaining Canada as a nation. And yet the possible impact of the Free Trade Agreement upon the Canadian transportation system does not appear to have received a great deal of assessment, perhaps because it is almost impossible to forecast with precision the effects of the Agreement upon the transportation system. This article will identify the possible impacts of Free Trade upon the Canadian transportation system of today and the results of those impacts in the future.

RAIL TRANSPORTATION . . . a competitive environment

- Many important changes occurred in the railway business in Canada as a result of regulatory reform, which became law with the proclamation of the National Transportation Act on January 1, 1988.
- Generally, the absence of government regulation has permitted the railways and their customers to negotiate both service and rates, which meet the specific needs of the shippers. The provision in the Act for confidential rates made this possible. As a result, many customers have enjoyed special rates, which have given them strong potential competitive positions, a fact that is of growing importance in our new trade

- relationship with the US.

Nonetheless, the Canadian railways must ensure that their revenues will be sufficient to enable them to continue to provide their customers with first-class service with equipment that is technically current. However, regulatory reform requires the two Canadian railways to compete with each other and, therefore, the rates negotiated must also take account of the competitive consideration. With the provision in the Act of competitive Line Rates, even the shipper, formerly captive to one railway, now has access to both.

With Free Trade, it would seem evident that the movement of goods in the north-south direction will increase markedly; indeed, there is already evidence of this trend. Although Canadian railways have been in competition for this traffic in the past, the competitive element will increase significantly in the future and will extend to east-west traffic as well. For example, one of the Canadian railways recently lost to a US railroad a contract which covered the movement of significant quantities of a Canadian product for export. These shipments had provided the Canadian railway with long-haul lucrative business as well as benefitting the Port of Vancouver, from which the exports were shipped. If this loss to the Canadian system was due to burdens (financial and regulatory) imposed by the governments in Canada, which were not borne by the US system, then a problem exists which requires attention, as losses of this type, occurring with some frequency, could seriously affect the viability of the Canadian system. The relative burdens should be reviewed by authorities with meaningful input from the railroads themselves.

Marine ocean carriers base the selection of the ports where they will call upon a number of considerations. In addition to the "through-put costs" and service offered by the port itself, the overland transportation to and from that port is a major consideration in the final choice. Therefore, it is not unusual that goods destined for Canadian customers are routed through US ports and vice versa. Thus, it becomes important for Canadian railways to be able to bid on the movement of such cargoes through the United States into Canada to their destination.

Once again, Canadian railways must be in a competitive position. Canadian business is fortunate to have available efficient and modern railways which have been able to offer competitive tariffs. However, with Free Trade, many shippers understandably will tend to view the US and Canadian systems as one North American transportation system and not as distinct US and Canadian systems. Under these circumstances, it will be important for Government to ensure that railway burdens dictated by political decisions are no more onerous than those in the US. If there is a

large discrepancy, then the railways suffering from the heavier burden can compete only by employing their revenues, which would ordinarily have been used to maintain technical currency. In the long-run, such a railway would be unable to provide the service required, and thus would inevitably lose its customers to its competitors.

Many regulations and laws in Canada are designed to meet unique Canadian needs and, therefore, often differ considerably from those in the United States. For example, the distances between major population centers in Canada are greater than in the United States, requiring longer runs for rail beds. Moreover, the climate in Canada is generally harsher than in the US, which results in greater costs of both construction and maintenance of those thoroughfares. These conditions tend to increase specific fuel consumption. In fact, one of the major obstacles to meeting market competition for exports is the great distances which finished products and raw materials must be moved. This obstacle becomes more formidable with increases in fuel tax.

In the case of one Canadian railway, it was estimated that the fuel bill for its operations in 1987 would have been \$185 million less had it been operating in the United States. This is an appreciable figure which could profoundly affect the relative competitive position.

There are other tax burdens which the Canadian railways carry, including property taxes and less favourable capital cost allowances, than US railways face. A study of these aspects is currently being conducted to determine factual differences between the tax burdens in the US and Canada.

Again a small percentage of rail line mileage in Canada accounts for the majority of the revenue of the railways, while other rail lines show an operating loss. The US system has been able to shed most of its "losers", thus reducing a drain on its revenues. In Canada, the new *National Transportation Act* has set out procedures which should make it easier for railways to abandon non-profitable lines. So far the provisions of the Act do not seem to have been as effective as had been anticipated. Undoubtedly, this aspect will have to be reviewed in an effort to relieve Canadian railways of the burden created by non-profitable rail lines.

There are other financial burdens which Canadian railways carry such as the cost of cabooses, and many of these add up to a major drain on railway revenues. Moreover, the volume of traffic in the United States is much larger than in Canada, thus providing a greater base over which cost burdens can be spread.

If it were not possible, all things considered, to meet the tariff offered by the US competitor, the product would likely move via the US system, which in turn

- would reduce the Canadian traffic over which the burdens are spread. With the Free Trade Agreement, Canadian shippers must secure the best service at the lowest transportation costs available in order to keep their selling prices down and compete with US importers and producers. The Free Trade Agreement has increased the importance of establishing what has become known as a "level playing field".
- In summary, "Free Trade" will bring Canadian shippers increasingly into direct competition with their US counterparts, many of whom already have the advantage of size and numbers. Moreover, the total cost of Canadian transportation normally forms a higher percentage of the delivered

Many regulations and laws in Canada are designed to meet unique Canadian needs.

- price of the goods, owing to the greater distances over which the goods must be moved. Therefore, transportation costs will play an important role in the benefits which will accrue to Canada from Free Trade.

Because of this keen competition with US shippers and the key role played by the railways, it is important that the regulatory and financial burdens do not exceed those of US railroads by a wide margin.

From a national viewpoint, the increased movement in the north-south direction and the possibility of a greater proportion of Canadian goods moving in the east-west direction through the United States, may well impact upon provincial-federal relationship. In the past, as noted earlier, Canadians have felt that a strong east-west transportation link was of major political importance in holding the nation together. Continuing adherence to this policy would seem to stress the importance of providing Canadian railways with a fair opportunity to compete with US railroads for both Canadian and US traffic, by ensuring that the burdens they carry are comparable.

HIGHWAY TRANSPORTATION . . . the deregulation factor

- As noted earlier, transportation services were not included in the Free Trade Agreement but with regulatory reform on both sides of the border, there has been open competition for sometime on many Canadian highways with free access by any firm, whether US or Canadian based.
- Unfortunately, Canadian-based carriers do not have access to the US intra-state market

- in 43 US states, where truck regulation virtually precludes Canadian participation.
- Thus, US access for Canadian carriers is seriously limited. Canadian truckers will be able to expand their services to their customers in Canada, transporting commodities throughout Canada and into the United States; but Canadian truckers will not be able to provide US intra-state service to Canadian manufacturers who establish a branch in the US (that is "local trucking" is prejudiced in favor of established US services). US carriers, on the other hand, will be able to service US manufacturers who move goods to Canada and who establish a Canadian manufacturing or distribution network. In addition, due to the earlier de-regulation of the industry in the US and the size and maturity of the manufacturing sector, a small group of large general freight carriers now dominates the US and Canadian inter-city market. No new competitors can participate owing to high capital investment required in terminal facilities. These US trucking firms now totally dominate the international less-than-truck-load market which accounts for about 75% of the US traffic entering Canada and 25% of that leaving Canada.

With respect to back hauls, which have a major impact on tariffs, should the US trucker not secure a back haul in Canada, there would be a relatively short haul across the border to the many US centers. The Canadian trucker might have greater difficulty depending upon his knowledge of the local US market.

It is clear that regulatory change and the impact of Free Trade have not yet presented truckers on each side of the border with equal opportunities. Not surprisingly, Canadian truckers are feeling the competitive pressure from many carriers as a large number of US-based truckers are now vying for Canadian business. For the shipper, this is good news as the situation provides excellent opportunities for negotiating attractive rates. For many truckers, the situation could be serious.

There have been occasions where US trucking companies, serving a major center in Canada have extended this service to plants beyond, which export to the U.S.; thus cutting out the small Canadian trucker which previously transported the plant's exports to the major center. Although the loss of the Canadian trucking enterprise was unfortunate, the more efficient direct transportation service permitted the Canadian plant to be more competitive and increase its export sales. This is perhaps a good example of the type of change one should expect from the Free Trade Agreement and Regulatory Reform — overall beneficial to Canada, but requiring adjustments. However, it will be necessary to maintain a careful watch on the burdens borne by Canadian truckers relative to those of the US carriers in order to enable Canadian firms to benefit fully from the



opportunities provided by the Free Trade Agreement.

Uniformity in regulations across Canada is required to improve efficiencies. For example, uniform nation-wide weights and dimensions are necessary to remove the present restriction on cargo weights to the lower allowable weight set by some provinces. Uniform national hours of service and safety regulations have not yet been achieved. Progress is being made in reaching an agreement with the provinces so that it is hoped the desired result will be accomplished by the end of the year.

Competitive tax structures need to be

- examined. For example, the short runs from the border to centers in Canada permit US truckers to use US fuel with costs of about 60 percent of Canadian fuel. Trailers and tractors can be purchased by US-based carriers, the cost of which can be depreciated in one-half the time of Canadian carriers.

- It has been estimated that international trucking between the US and Canada creates \$3 billion of revenue and accounts for about 67 percent of the commerce moving between the two countries. As the impact of the Free Trade Agreement is felt, this figure could well double by the year 2000. At the present

- time, the business is divided fairly evenly. It is recognized that there are geographical and company-size advantages which cannot be addressed, but there are other differences which can be ameliorated. Currently, the large US "Less-than-Truck-Load" (LTL) general freight carriers dominate the high-volume international and intercity markets, while Canadian carriers are taking active steps to position themselves in the truck-load market.
- With Free Trade, there will be increased traffic on the north-south highways which will likely necessitate highway upgrading. Moreover, present points of congestion,

such as in the Toronto area will require attention, all of which would require major expenditures.

MARINE TRANSPORTATION ... a very political problem

One of the principal reason for excluding the transportation industry from the Free Trade Agreement was the insistence on the part of the US interests that the provisions of the *Jones Act*, which reserves the movement of US cargo for US bottoms, be maintained. Canada, with its proposed coasting trade legislation, would restrict the movement of coastal and inter-coastal trade to Canadian registered ships, unless a waiver to use a foreign ship is obtained. Thus, in general terms, the competitive marine movement of goods in coastal waters will not be greatly affected by the Free Trade Agreement, although the amount of cargo may increase.

At the present time, Canadian Lakers handle the majority of the cargo on the Great Lakes, which for the most part consists of grain, potash, iron ore, coal and steel. Last year, the western weather drought had an adverse effect upon the St. Lawrence Seaway and is likely to be felt with even greater impact in 1989. Grain shipments through the Lakes fell by about 30 percent, which has resulted in a number of Canadian Lakers being laid up and others being transferred to deep-sea operations.

With less grain moving eastward on the Seaway, the cost of moving iron ore westward increases. If this situation were to continue, the competitiveness of Canadian steel in the US could be adversely affected and some of the expected benefits of Free Trade lost. Moreover, if the St. Lawrence Seaway became non-competitive with the Mississippi, the movement of potash and possibly other products might be diverted to the Mississippi waterway, which would tend to increase the north-south flow of goods.

There are other pressures on the Seaway. Grain markets have increased in the Far East so that a greater portion of export grain is moving through west coast ports. Formerly about 45 percent of export grain moved through the Seaway. This has dropped to about 20 percent. Moreover, there are those who believe the *Western Grain Transportation Act* distorts the transportation costs adding to the western movement. However, it is generally considered that the division of this movement between East and West is temporary, and it is agreed that the St. Lawrence Seaway will remain one of the key elements of Canada's transportation system. The problem will be to ensure its interim viability because if the present ships are removed, they will not be available in the future when required to move the increased tonnage. The Government is well aware of these problems. Studies have recently been completed and a review of the *Western Grain Transportation Act* seems likely.

AIR TRANSPORTATION

... an industry in transition

With the present restrictions resulting from bilateral agreements with the US for routes and destinations, the immediate impact of Free Trade is not likely to be as significant as the effect of deregulation policies. However, there are indications that

The competitive marine movements of goods in coastal waters will not be greatly affected by the Free Trade Agreement.

a lessening of route and destination restrictions is likely to occur. It would seem that this development would be to the advantage of the Canadian airlines. In the meantime, with the increase in north-south trade, travel by air between the two countries is also likely to increase. If so, the present airport congestion problem at certain locations is likely to continue for sometime. Recently, the Federal Government moved quickly to introduce measures to minimize and then to correct the airport traffic problem. However, many of the United States airports are also suffering from the same congestion problem and the situation, however unattractive, may yet prove to be of advantage to Canada in the long run.

More specifically, the US eastern airports, such as Boston and New York, are suffering from congestion similar to that being experienced by some Canadian airports. However, Mirabel International Airport, which operates 24 hours a day and which suffers more from a lack of traffic than congestion, has been discussed as a possible port of entry and exit for northeastern US cargo traffic. Although a move of this kind would not be the result of Free Trade, the provisions of the Agreement would make it easier and would certainly increase north-south traffic.

CONCLUSION

This brief examination of the possible impact of Free Trade upon transportation suggests that it would be reasonable to expect that those providing or using the transportation system will maintain a careful watch on the impact of developments, which could affect the relative transportation costs and routings.

From the above, it is clear that although transportation has been excluded from the Free Trade Agreement, it is not isolated from it.

The Canadian system must position itself to compete head on with the US transportation system in order to enable Canadian products to compete. Long distances with few large centers of population place Canada in a relatively difficult position. Moreover, the size of competing US companies and the traffic density give the US suppliers a distinct advantage.

Thus, although trade has become freer, decisions regarding many aspects of Canadian life, of necessity, will become more restricted. Canada's taxes cannot be very different from those of the US without adversely affecting Canadian industry's ability to compete. This not only applies to the shippers but also the carriers. For example, taxes paid by Canadian railways appear to be considerably higher than those paid by US railways. Although this situation might have developed without Free Trade, its consequences would have been less serious.

It would be wise to remember the lessons from history and avoid neglect of the requirement of the east-west transportation infrastructure in the desire to satisfy the growing demands of those needed for the north-south movements.

The solutions to these problems will not be simple. On the one hand, it would seem that some tax relief is necessary to enable Canadian carriers and shippers to meet foreign competition. On the other hand, governments require increased revenues in order to reduce the substantial government debts, which in themselves constitute a burden for Canadian industry. The relief of congestion in both the highway and air modes will be costly. Thus, nearly all Canadian business ventures have an interest in finding solutions which will keep Canadian carriers competitive so that Canadian shippers may meet the keen competition and derive the benefits offered by Free Trade. Already there are isolated cases where Canadian companies have sought their own solution by moving their operations across the border and are operating back into Canada. This approach constitutes a loss for Canada in employment and government revenue.

The situation requires vigilance and the carriers and shippers alike should make their views known in an effective manner in order to assist governments to find appropriate solutions to these challenges. Perhaps a coalition in which the private-sector views could be consolidated and presented as one view to governments, would be effective. In any case, there are danger signals which should not be ignored. ♣

* Douglas B. Wurtele, an aeronautical engineer and pilot was advisor to industry and senior officials in Transport Canada, Ottawa, on matters concerning all modes of transportation. He is now with Corporation House Ltd., an Ottawa consulting firm. This article is based on a paper prepared for Corporation House.

The Port of Trois-Rivières

by Robert Masson*

Located at the confluence of the St. Maurice and St. Lawrence rivers, Trois-Rivières — named for the 3-pronged delta formed at its mouth — is midway between the port cities of Montréal and Québec. Needless to say, the city and the port have developed simultaneously.

Even before the establishment of a permanent settlement by the *Sieur de Laviolette* in 1634, the site was already a meeting and stopping place for native peoples. After the arrival of the Europeans, it was used as a trading post, where furs were exchanged for objects from the south. At that time, Trois-Rivières was the head of deep-water navigation, and the furthest inland port which was accessible with relative ease. Its location at the mouth of the St. Maurice valley, an area very rich in furs, had the natural advantages of negligible tides, slow currents, and steep banks.

From 1737 to 1883, the fur trade was complemented by the export of iron and steel products from the *Forges du St-Maurice*. As this activity was rather slow in starting, and production was intermittent, there is no information on the amount of traffic it produced. Most of the goods were sold on the Canadian market: local farmers would come and sell their harvests and buy whatever tools and equipment they needed.

By 1815, the first steamboats on the river played a major role in port development. Before this date, there were no port facilities as such. The first installation at Trois-Rivières apparently dates back to 1818; the only thing we know about it is that the wharf and shed, built near Saint-Antoine street, belonged to Dr. Jean-Baptiste Rieutord. Several other private businessmen then began to build additional structures. The first public initiative dates back to 1858, when the municipal government of Trois-Rivières constructed a wharf for ferries operating between the city and the south shore of the St. Lawrence.

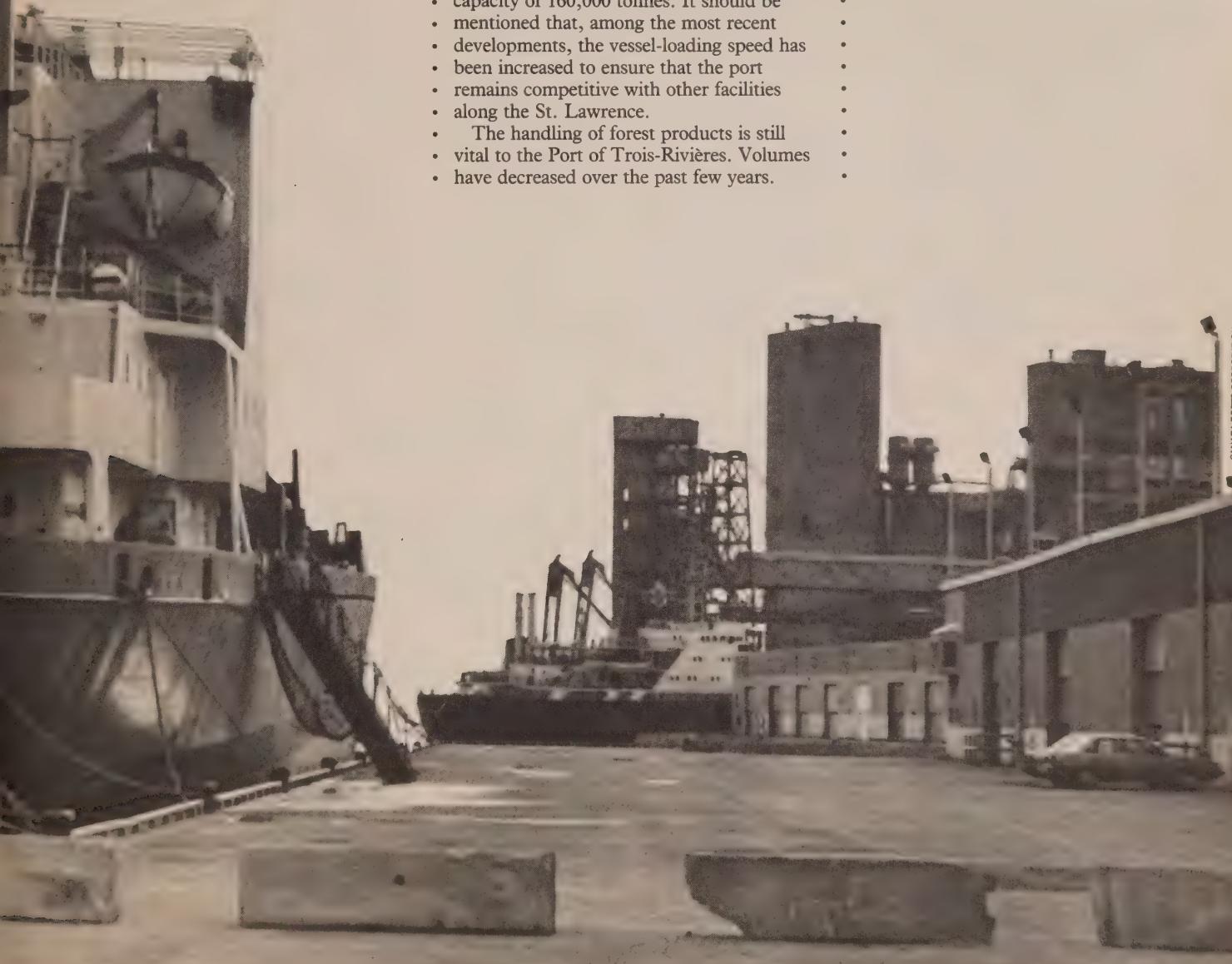
At that time (or, more precisely, since 1805), the port belonged to the *Corporation de la Maison de la Trinité de Québec*. During the same period, the port became known for its operations in the forest-products sector. Several sawmills were built along the St. Maurice river and in Trois-Rivières, and used the port to export white pine and construction lumber to Europe and the United States.

In 1888, the port's status changed with the creation of a harbour commission, a system that stayed in place until 1936, at which time administration of the port was transferred to the then National Harbours Board.



Commercially speaking, the Port of Trois-Rivières entered a new era in 1890, with the beginning of the pulp and paper industry. The port became a major transshipment center, which helped establish its international reputation. At the same time, industry in the Mauricie region was developing, with early effort aimed at harnessing the waters of the St. Maurice basin. The production of hydro-electric power produced attracted chemical, textile, aluminum, and other types of industry, which had a direct influence on the port. From 157 000 tonnes in 1920, the port went on to handle over 1 million tonnes in 1926, and reached 2 million tonnes in 1937, thanks in large part to the fact that its first grain elevator had come into service the previous year. Built at a cost of \$700,000, the 36 silos of the Trois-Rivières Grain Elevator had a storage capacity of 2 million bushels.

Port clients can count on an expert and dedicated labour force to carry out loading and unloading operations.





PORT OF TROIS-RIVIÈRES

Bulk cargo other than grain is also important at Trois-Rivières. The port has considerable storage capacity for liquid bulk including petroleum products. An increasing number of vessels stop at Trois-Rivières en route to points upstream to unload part of their cargo to accommodate water depth. A local firm, Servitank Inc., has about twenty tanks capable of holding various amounts of different products for this purpose. Dry bulk is handled in sections 19-20 of the port. Somavrac Inc., a private company, operates a terminal in this section for goods in transit as well as materials used in the pulp and paper industry. The terminal has excellent access to the rail system and all the modern,

- efficient equipment it needs to operate. A dolphin has recently been added in the west part of this section, with a view to increasing berth length.

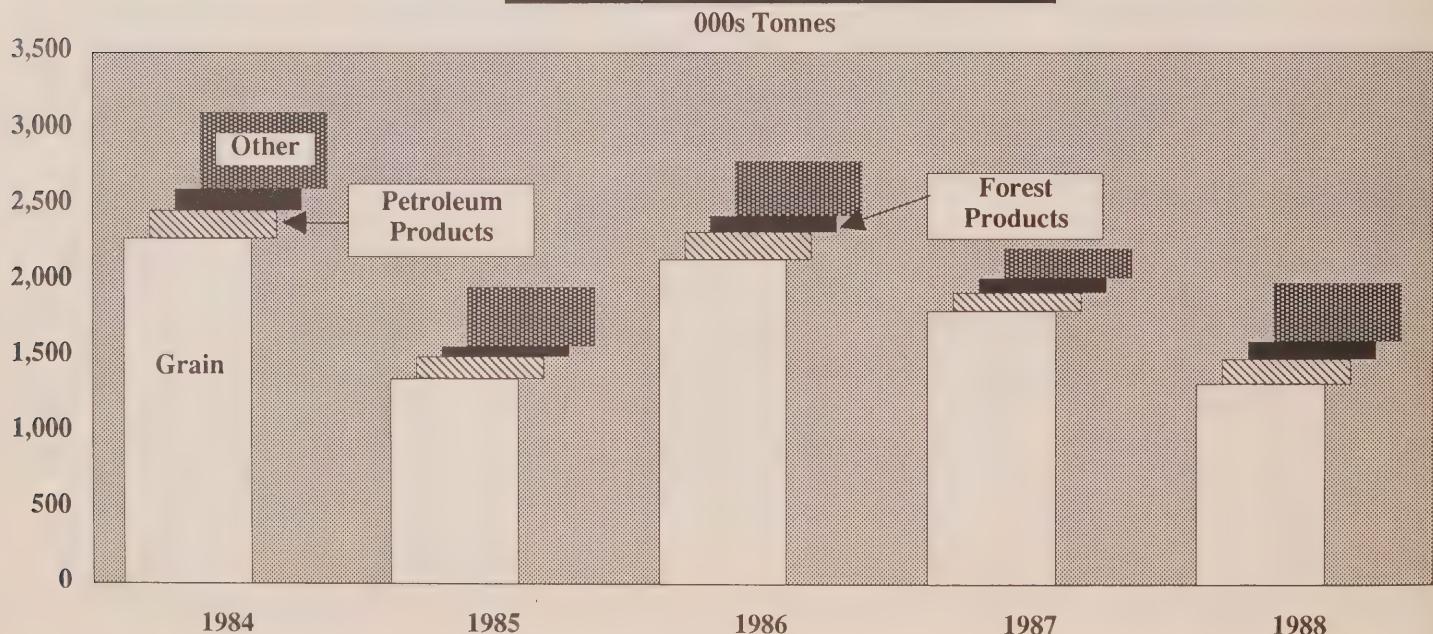
- Those sections of the port located in the city center have recently been redeveloped; the site provides a magnificent view of the port and the St. Lawrence. People come just to stroll, or to participate in the numerous activities which are organized there. The wharves in this section are used by cruise ships and other smaller vessels.

- Each year, approximately 400 vessels visit the Port of Trois-Rivières, which operates year-round and is a member of the Ports of Canada system. Annual volumes usually

- vary between 2.5 and 3.5 million tonnes; the record for one year, set in 1970, was 4.9 million tonnes. Port clients can count on an expert and dedicated labor force to carry out loading and unloading operations. In all, the port has created 665 jobs, for a total personal income of \$35 million. (Appropriately 350 of these jobs are direct, accounting for \$12 million). Annual revenues totalling \$37 million are generated by the various firms doing business with the port. *

- *Robert Masson is Liaison and Marketing officer at the Port of Trois-Rivières, Québec.

Traffic Overview at the Port of Trois-Rivières



CCC ANNUAL MEETING

Customs-Tailored Strategy for the 21st Century

by Jean Lespérance*

A Strategy for the 21st Century" was the theme of the annual gathering of the Customs Co-operation Council held this year in Washington, D.C., from July 3rd to 6th. These were the 73rd and 74th sessions of the Council, which held its first sessions in 1953. The 104 members of the CCC were hosted by the US Customs Service, which is this year celebrating its 200th anniversary.

The Customs Co-operation Council is composed of the heads of national customs administrations from around the world. It holds annual general meetings, as well as many on-going technical committee meetings, training programs and various other activities. The objective is ". . . to secure the highest degree of harmony and uniformity in customs systems . . .".

The opening remarks of the sessions were made by US Customs Commissioner William von Raab. He stressed the crucial importance of the application of digital technology by customs administrations to efficiently handle trade in the 21st century. Immediately afterwards, US Secretary of Commerce Robert A. Mosbacher gave the US view of the state of world trade and trade policy. He emphasized the need for all countries to continue to strive for liberalized trade and avoid protectionism, and touched on US actions and policies relating to that objective. These familiar issues included the US trade deficit with certain countries, the US budget deficit, the Super 301 provisions of the new US Trade Act, the openness of Europe to trade after 1992 and US export controls on strategic goods. In the area of customs, he lauded the work of the technical committees of the CCC in establishing the GATT Valuation code, rules of origin and the Harmonized Commodity Coding system. He encouraged the Council to continue harmonizing and simplifying customs procedures and to pursue the implementation of EDI.

The detailed and laborious but vital work of the CCC, as embodied in the ten lbs. of documentation distributed to delegates and observers, was substantially accomplished before the sessions. The general meeting served to review and ratify reports and proposals. Among the specific topics commented on by members of the CCC secretariat and the Chairmen of the various technical committees were:

□ a desire to see the adoption of the Harmonized System of commodity coding beyond customs use;

- a concern that EDI could widen the gap between developed and developing countries, although the ASYCUDA (Automated SYstem for CUSToms DAta), an UNCTAD-developed generalized computer system for customs clearance, is seen as a way of bringing automation to developing countries;
- an intention for CCC to support the CUSDEC EDI message as an international standard and to create a "Single Goods Declaration" electronic document;
- a concern about the growing trade in illicit drugs, which apart from being a social problem, is hampering the flow of legitimate goods when customs applies control measures;
- an increase in the number of CCC staff devoted to automation and EDI.
- The evolution in thinking in the CCC and the orientation of the strategy for the 21st century is distilled in the "Washington Declaration" issued by the Council. A major new emphasis is the push towards automation and EDI. Specific initiatives to be pursued by the CCC include: " seek access for Members to additional resources to implement automation and EDI by cooperating closely with other governmental and non-governmental international organizations, . . . promoting and enlarging EDIFACT as a standard for the electronic interchange of customs information among its members, international organizations and other participants in international trade, . . . identifying standard customs requirements for EDI in all international fora . . .".
- These statements are of a nature to suggest that the interests of ports and customs are very close and that consequently they should seize opportunities for cooperation and joint development.
- Part of the reason for the emphasis on computerization is found in the second major trend in thinking within the CCC. This trend is the recognition that customs administrations, in addition to their enforcement and duty collection tasks, have a key role in facilitating world trade. As world traders automate, so must customs administrations.
- However, trade facilitation goes beyond computerization. The CCC recognizes this in the Washington Declaration when it states that ". . . the Council should immediately undertake a comprehensive, structured, co-ordinated initiative in the area of

• simplification, standardization and harmonization of customs procedures, . . .".

Ports around the world will no doubt follow, encourage and even help carry out these plans of the Customs Co-operation Council since concurrent action on automation and on procedures will be a great boon to the trading community . . . and to ports. ♣

* Jean Lespérance is Senior Advisor, Business Affairs, Corporate Services, Canada Ports Corporation, Ottawa, Ontario.

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Le port de Trois-Rivières

par Robert Masson*

Situé au confluent de la rivière Saint-Maurice et du fleuve Saint-Laurent, Trois-Rivières est également à mi-chemin entre les villes portuaires de Montréal et Québec. Il va sans dire que le développement de la ville et du port s'est fait de façon simultanée.

Même avant la fondation d'un établissement permanent par le Sieur de Laviolette, en 1634, l'emplacement était déjà un point de rencontre et d'escale pour les autochtones. Après l'arrivée des Européens, le site fut utilisé comme point de rencontre pour le troc de fourrures contre des objets de provenance méridionale. À cette époque, Trois-Rivières était la tête de navigation en eau profonde et le port le plus à l'intérieur des terres accessible avec une relative facilité. L'absence de marée, le faible courant et une rive naturellement abrupte constituaient autant d'avantages naturels pour cet emplacement qui était le débouché de la Vallée du Saint-Maurice, très riche en fourrures.

Au commerce des fourrures s'ajoutèrent, de 1737 à 1883, l'exportation de produits de fonte et de fer fabriqués aux Forges du Saint-Maurice. Comme le début de l'entreprise fut plutôt lent et que la production était intermittente, il n'existe pas d'informations quant à l'importance du trafic ainsi généré. Les produits étaient principalement écoulés sur le marché canadien et, localement, les cultivateurs de la place venaient y vendre les produits de leurs récoltes et, d'autre part, les commerçants les approvisionnaient en divers matériels et outils.

Vers 1815, les premiers vapeurs à circuler sur le fleuve jouèrent un rôle prépondérant dans le développement des installations portuaires trifluviennes car avant cette date, il ne saurait être question d'installations portuaires comme tel. La première installation à Trois-Rivières daterait de 1818 et l'on en sait peu de chose, si ce n'est que le quai et le hangar, érigés non loin de la rue Saint-Antoine, appartenaient au médecin Jean-Baptiste Rieutord. Plusieurs autres entrepreneurs privés procédèrent à la construction de diverses installations à partir de ce moment. Quant à la première initiative publique, elle remonte à 1858 et c'est l'administration publique de Trois-Rivières qui fit alors construire un quai pour les traversiers qui reliaient la ville à la rive sud du fleuve Saint-Laurent.

À noter qu'à cette époque, soit depuis 1805 précisément, le port relevait de la Corporation de la Maison de la Trinité de Québec. C'est également pendant cette période que le port de Trois-Rivières acquit une certaine notoriété grâce au développement de l'exploitation des produits forestiers. En

- effet, plusieurs scieries s'installèrent le long du Saint-Maurice ainsi qu'à Trois-Rivières et utilisèrent le port pour leurs exportations de pin blanc et de bois de construction vers l'Europe et les États-Unis.

- En 1888, le port changea de statut avec la création d'une Commission du port, régime qui durera jusqu'en 1936, date à laquelle l'administration du port fut transférée au Conseil des ports nationaux.

- Commercialement, le port de Trois-Rivières entra dans une ère nouvelle à partir de 1890, où débuta la transformation du bois en pâte et, par la suite, en papier. Le port devint dès lors un important centre de transbordement qui contribuait au rayonnement international de sa renommée. Parallèlement, à la même époque, la vie industrielle de "la

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Commercialement, le port de Trois-Rivières entra dans une ère nouvelle à partir de 1890, où débuta la transformation du bois en pâte et, par la suite, en papier. Le port devint dès lors un important centre de transbordement qui contribuait au rayonnement international de sa renommée.

- Mauricie" se développe avec les premiers travaux de harnachement des eaux du bassin du Saint-Maurice. L'énergie hydro-électrique ainsi produite servit à attirer des industries chimiques, du textile, de l'aluminium et autres. Cette évolution eut une influence directe sur le trafic du port trifluvien. De 157 000 tonnes qu'il était en 1920, il dépassa le million de tonne dès 1926 et franchit le cap des deux millions de tonnes en 1937 grâce, notamment, à l'entrée en activité, l'année précédente, du premier élévateur à grain au port de Trois-Rivières. Érigés au coût de 700 000 \$, les 36 silos de la *Three Rivers Grain Elevator* possédaient une capacité d'entreposage de deux millions de boisseaux.
- Aujourd'hui encore, le mouvement de grain est très important à Trois-Rivières, où le port agit comme point de transbordement

- pour les cargaisons en provenance de la tête des Grands Lacs, de Thunder Bay et de Duluth notamment, à destination de l'étranger. Le grain qui arrive par la voie maritime est déchargé, entreposé dans les élévateurs puis rechargé sur des navires océaniques. Cette activité représente aujourd'hui environ 75 pour cent du trafic total du port. Des améliorations successives aux installations de manutention de grain en ont fait un terminal moderne et efficace avec une capacité statique d'entreposage de 160 000 tonnes.

Parmi les rénovations les plus récentes il faut

souligner que la vitesse de chargement, pour

les navires, a été augmentée de façon que le

port demeure compétitif face aux autres

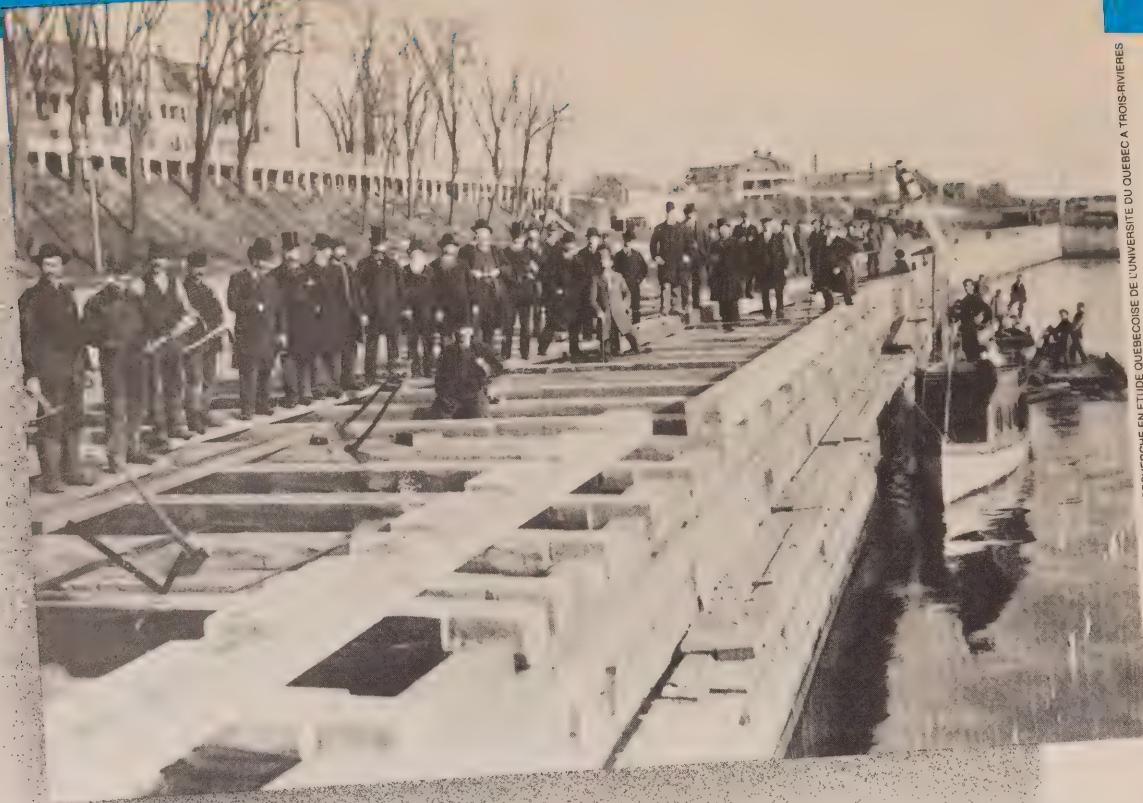
installations sur le fleuve Saint-Laurent.

- La manutention de produits forestiers constitue encore une activité importante au port de Trois-Rivières. Même si les volumes ont diminué au cours des dernières années, en raison de facteurs externes qui favoriseraient les exportations domestiques au détriment de destinations traditionnelles comme le Royaume-Uni, le port n'est pas resté inerte face à la situation. C'est ainsi que, dans le but d'augmenter son efficacité et sa performance, le terminal Saint-Maurice a été créé. Surtout spécialisé dans les pâtes et papiers, le terminal représente un emplacement d'envergure internationale de tout premier choix pour effectuer efficacement de multiples opérations de transport maritime. La gestion de ce terminal est assurée par une importante firme d'arrimage canadienne, J.C. Malone.

- Les deux partenaires, le port de Trois-Rivières et le gestionnaire, participent conjointement à un programme de marketing auprès des clients et qui vise en outre à assurer un niveau de trafic intéressant. En plus de ces engagements au niveau de la commercialisation, les deux partenaires collaborent également au niveau opérationnel. Le terminal offre plus de 26 000 mètres carrés de surface de hangar, de vastes espaces à ciel ouvert ainsi qu'une rampe ro-ro.

- Le domaine des marchandises en vrac, autres que le grain, est par ailleurs important à Trois-Rivières. Le port est bien servi en capacité d'entreposage de produits liquides variés, dont les produits pétroliers. De plus en plus de navires qui doivent poursuivre leur route en amont de Trois-Rivières s'y arrêtent pour s'alléger afin de respecter la profondeur d'eau pour poursuivre leur route sûrement. Une firme locale, Servitank Inc., exploite un parc d'une vingtaine de réservoirs disponibles à cette fin et capables d'accepter des lots variés de différents produits. Quant aux vracs secs, c'est aux





CENTRE DE RECHERCHE EN ÉTUDE QUÉBÉCOISE DE L'UNIVERSITÉ DU QUÉBEC À TROIS-RIVIÈRES

sections 19-20 du port qu'ils sont manutentionnés. La firme privée, Somavrac Inc., y exploite un terminal où en plus de produits en transit, on reçoit plusieurs matières utilisées par les moulins de pâtes et papiers. Le terminal est bien servi au niveau des voies ferrées et on y trouve tout l'équipement moderne et efficace nécessaire aux opérations. Un duc d'Albe a récemment été ajouté à l'ouest de ce secteur dans le but d'en augmenter le front d'amarrage.

Les sections du port qui sont situées dans le centre-ville ont récemment été aménagées en parc portuaire. Le site offre une vue magnifique du port et du fleuve Saint-

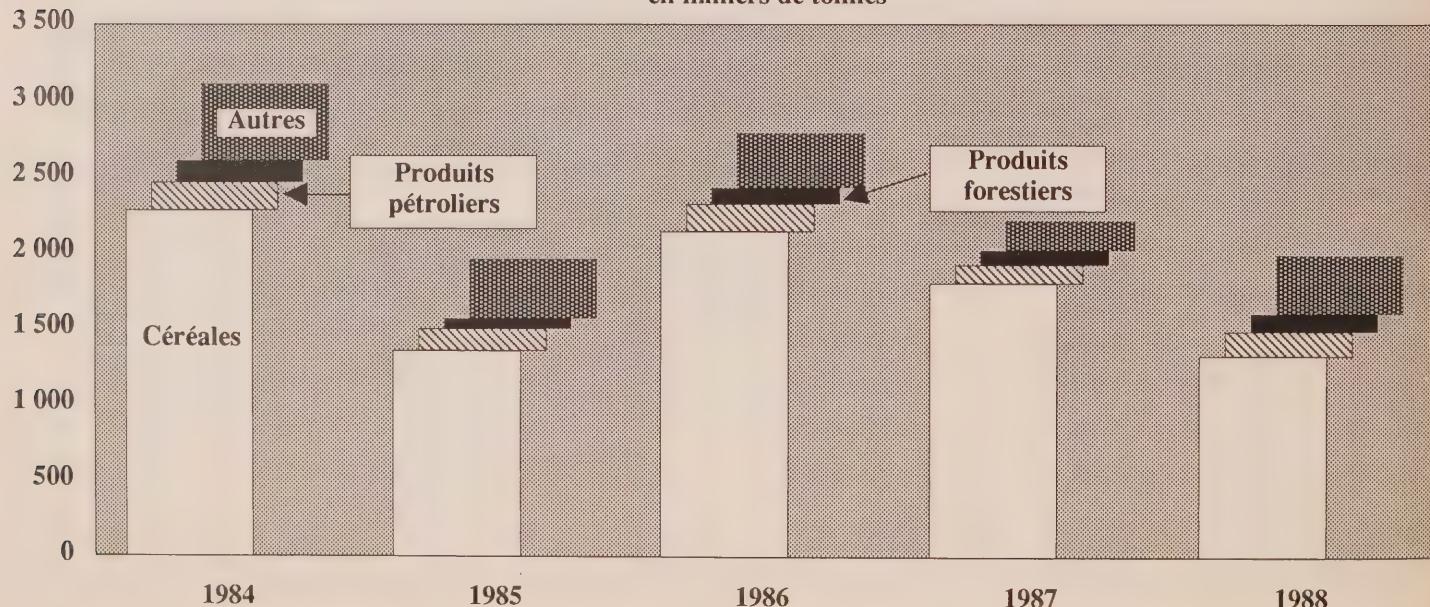
- Laurent. Les gens y viennent simplement pour se promener ou encore pour participer aux nombreuses festivités qui sont organisées. Les quais de ce secteur sont utilisés par des navires en visite, en attente ou de croisière.
- Le port de Trois-Rivières, membre du réseau Ports Canada, accueille généralement environ 400 navires par année et ses activités s'étendent sur 12 mois. Le volume annuel, quant à lui, oscille généralement entre 2,5 et 3,5 millions de tonnes, tandis que le volume record pour une année, établi en 1970, s'élève à 4,9 millions de tonnes. Pour procéder aux opérations de chargement et de

- déchargement, les clients du port de Trois-Rivières peuvent compter sur une main-d'œuvre experte et dévouée. En tout, le port génère 665 emplois, dont 345 emplois directs qui se traduisent en revenus personnels totaux de 35 000 000 \$ incluant 12 000 000 \$ de façon directe. Par ailleurs, les activités du port de Trois-Rivières engendrent pour les diverses firmes y faisant affaire des revenus annuels qui totalisent 37 000 000 \$. *

*Robert Masson est agent de liaison et de marketing au port de Trois-Rivières, Québec.

Aperçu du trafic au port de Trois-Rivières

en milliers de tonnes



EDI HELPING MAKE FTA A SUCCESS

By Marshall Spence*

The strategic importance of EDI in helping cement the recent Free Trade Agreement between Canada and the United States cannot be overstated.

The agreement between our two countries was greeted enthusiastically by progressive business leaders who see free trade as a logical step between two such close trading partners.

Helping simplify, control and speed this trade will be part of the role to be played by EDI as free trade becomes an everyday part of doing business across our common border.

As two large members of the international trading community, Canada and the US already exchange between them the largest number of international EDI messages in the world.

This growth in EDI traffic has been accomplished with little fanfare. Indeed, to my knowledge this may be the first time this fact has been revealed to any audience on the global EDI stage.

As the largest exchangers of international EDI messages, it is worth examining how we were able to achieve this.

Certainly, we had a head start as the early EDI pioneers in both of our countries exhibited a tremendous amount of vision. They believed that there should not be a

- separate US standard and a separate Canadian standard for use of EDI, but instead a blend of our requirements should be developed into one set of North American standards.
- Since America started the entire EDI process, public EDIL message standards were already developed and in place when Canada entered into initial EDI pilots. This allowed Canada to insert into the message standards unique Canadian requirements instead of re-inventing the wheel. We in Canada can, therefore, thank our American friends for their co-operation, support and assistance in helping us achieve fast EDI literacy and practical implementation of this exciting new technology.
- Another important factor that has contributed to our two countries leading in the exchange of international EDI messages is the fact that Canada is recognized throughout the world as being on the leading edge of telecommunications technology.
- Taking this fact into consideration, Canadian EDI pioneers decided that third party, value-added communications networks were the most efficient method for corporations to use EDI in large volumes.
- Consequently, Canada has contributed significantly in this area of EDI technology.
- In fact, the GEIS EDI network was first piloted and developed in Canada.
- There is yet another reason for the growth of EDI message exchange between our two countries. We have in Canada a relatively small population, and need to be a trading nation. Recognizing both this fact and that EDI is a strategic management strategy, Canada has more chief executive officers in a broad cross section of industry and business involved in implementation of EDI than any other country in the world. They perceive the value of EDI and the competitive advantage it offers in global trading.
- Since all these elements are in place and are totally compatible within both of our countries, there is really nothing else required to make use of EDI in the new Free Trade Agreement, except to find trading partners.
- In this quest, the EDI council of Canada is only too happy to assist. We know of many Canadian companies looking for and wishing to develop EDI trading with US companies.
- These facts make us very competitive in using EDI as a strategic international trade issue and will help to ensure that Free Trade between Canada and the US continues to grow. ☺

*Marshall Spence is President, EDI Council of Canada, Toronto, Ontario.

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Container Standards BOXED IN NO MORE

by Hugh Quigley*

Changing container standards would be a major disruption to a system that runs very smoothly. It is now possible to ship an ISO-standard container over almost any transportation system anywhere in the world. Yet pressure is building up for new standards which would have major impact on truck design and road legislation.

The ISO Series One Freight Container Standard was established in the 1960s with ship transportation the dominant consideration. Since then, the use of containers on road and rail has increased substantially, and any new standards must take this into account. In order to do this, the need to develop standards for swap-bodies must also be considered and the two systems made compatible.

"A future standard for containers may accelerate the change in road regulations, provided the dimensions chosen are within the possibilities of the infrastructure," said Hans Gustavson of Sweden's HIAB-FOCO, addressing the 19th biennial conference of the International Cargo Handling Coordination Association in Stockholm. "Some believe that the need for new standards comes from the domestic system in the US. I don't believe so; but it might well be that

- this need serves as a catalyst for future developments."
- The aim has to be a measurement that will be dominant within a reasonable period, even if not accepted by every legislation today. This is why 2.6m (8.51 feet) is the only width dimension discussed for future containers. Similar approaches will be taken for length and height, with length being the most complicated question.
- The present 48 foot (14.66m) length for trailers and containers in the US may well have to be extended to 49 feet (14.97m). It is expected that European jurisdictions will allow 14.9m (48.77 feet) containers in the future, replacing existing length limit of 13.6m (44.51 feet). Within Europe, the combined vehicle length is limited to 18m (58.91 feet). This applies only to road trains that are a combination of a rigid truck and full trailer or drawbar trailer. Tractor trailers are limited to 15.1m (49.42 feet) being increased to 16.5m (54 feet).
- A tractor trailer for a 14.9m (48.77 feet) container can probably be designed within the 18m (58.91 feet) total length but that is the limit for road trains only. If a tractor trailer could meet the turning radius of a road train, the formal argument for not
- allowing the 14.9m container on European roads is eliminated. The need for longer containers will certainly lead to harmonizing the lengths between tractor trailers and road trains. By mating the concepts, the goal of a modular system for swap bodies and containers is within practical reach.
- Any future standards must consider the need for compatibility between the new and the established standard. An equally-essential aspect is compatibility with pallet-based unit-load systems. This issue has not been dealt with successfully since the present container standard was established. Compatibility between the two systems was almost non-existent.
- "The ISO has to consider its own regulations covering major changes, for instance the basic dimensions, where such changes cannot be compressed into a shorter time span than five years," said Gustavson. "It is my belief that the time span for a future container standard, fully implemented, may take more than ten years. There is an urge for all concerned to respect those lead times."

*Hugh Quigley is a Canadian Freelance writer based in Scotland.



«CANADA-USA: PARTNERSHIP IN TRADE AND TRANSPORTATION»



First joint conference organized by Ports Canada,
ICHCA-Canada and ICHCA-USA

WESTIN HOTEL
OTTAWA, CANADA
SEPTEMBER 25-27, 1990



THE CONFERENCE

In a landmark decision, Ports Canada and the two North American national ICHCA chapters (ICHCA-CANADA and ICHCA-USA), have agreed to pool efforts in holding the first-ever jointly-sponsored business conference. The two-day conference will be held in Ottawa, Canada's national capital, on September 25-27, 1990, a spectacular time of the year. The Westin Hotel, in beautiful downtown Ottawa, was chosen to accommodate the conference and its participants. To be held in Ports Canada's prestigious annual business conference style, the event is expected to attract hundreds of participants from around the world.

nations, the conference is a good example of strengthening ties between Canada and the US. Appropriately labelled "Canada-US: Partnership in Trade and Transportation", the conference is expected to address continental transportation issues, of interest not only to participants from both sides of the Canada-US border, but also to North America's trading partners from Europe and the Far East. This theme is intended to focus attention on how Canada and the US can jointly benefit from global market developments, which are changing the transportation and port industry.

from North America, Europe and the Far East, who will cover a wide range of topics included in the various panels.

THE PANELS

The conference is expected to cover all aspects of cargo handling, highlighting the impact of the FTA, where applicable. Ports Canada and ICHCA-Canada will be responsible for day one, when issues pertaining to bulk and break bulk cargo will be discussed. On the second day, containerized cargo and intermodalism issues will be addressed, under the planning direction of ICHCA-USA. There will be a banquet and reception on September 26, 1990.

THE THEME

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Hermann Allen
Secretary
ICHCA-USA
54 Winding Brook Way
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"CANADA-ÉTATS-UNIS: PARTENAIRES DANS LE COMMERCE ET LES TRANSPORTS"



Première conférence conjointe organisée par Ports Canada,
ICHCA Canada et ICHCA USA

HÔTEL WESTIN
OTTAWA, ONTARIO
DU 25 AU 27 SEPTEMBRE 1990



LA CONFÉRENCE

Dans une importante décision, Ports Canada et les deux sections nationales nord-américaines d'ICHCA (ICHCA Canada et ICHCA USA) ont uni leurs efforts pour organiser la première conférence annuelle conjointe, qui se déroulera à Ottawa, la capitale du Canada, du 25 au 27 septembre 1990. L'hôtel Westin, situé en plein cœur d'Ottawa, a été choisi pour accueillir la conférence et ses participants. L'événement, qui s'inscrit dans la prestigieuse tradition de la conférence annuelle des affaires de Ports Canada, devrait attirer plus de 400 participants des quatre coins du monde.

LE THÈME

Suite à la mise en oeuvre de l'accord historique de libre-échange entre les deux pays, la conférence est un exemple du renforcement des liens entre le Canada et les États-Unis. Sur le thème on ne peut plus approprié de

"Canada-États-Unis : partenaires dans le commerce et le transport", elle portera sur des questions de transport continental, qui intéresseront non seulement les participants des deux côtés de la frontière, mais également les partenaires commerciaux de l'Amérique du Nord en Europe et en Extrême-Orient. En choisissant ce thème, les organisateurs veulent attirer l'attention sur la façon dont le Canada et les États-Unis peuvent conjointement bénéficier d'une expansion mondiale des marchés qui transforment les transports et l'industrie portuaire.

LES CONFÉRENCIERS

Les organisateurs feront tout en leur possible pour réunir des conférenciers de premier ordre qui pourront partager avec les participants une connaissance approfondie et une vaste expérience du domaine du commerce et du transport. On pourra ainsi entendre des conférenciers d'Amérique du Nord, d'Europe et d'Extrême-Orient qui

traiteront d'une vaste gamme de sujets dans le cadre des diverses sessions parallèles.

LES SESSIONS

La conférence devrait couvrir tous les aspects de la manutention des marchandises, faisant ressortir les conséquences de l'accord de libre-échange. Ports Canada et ICHCA Canada seront chargées de l'organisation du premier jour de la conférence, alors que seront discutées les questions relatives aux marchandises en vrac et aux marchandises dégroupées, tandis que les marchandises conteneurisées et l'intermodalisme feront l'objet de la seconde journée, organisée par ICHCA USA. La conférence se terminera par un banquet le 27 septembre.

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TRB CONFERENCE

Links in the

Intermodal Chain

by Dan MacKenzie*

The 14th annual summer Transportation Research Board (TRB) Conference on "Ports, Intermodal Shipping and Freight Transportation" was held in New York on July 24-27, 1989. The objective of the Board is to advance knowledge of the nature and performance of transportation systems through the encouragement of research and dissemination of information. TRB frequently conducts conferences and workshops covering particular subjects or fields. Due to the increasing complexity of transportation problems and the ever-more need for specialization, this type of meeting is becoming popular and important. The 14th annual summer conference was sponsored by several of TRB intermodal members jointly with the Port Authority of New York/New Jersey and New York State Department of Transportation. The conference featured 30 speakers who debated on panel sessions, dealing with:

- Distribution and Marketing Strategies
- Container Transfer Facilities vs Terminal Networks vs Large-Scale Hubs

- Shallow Draft Transportation on the Ohio River Serving the Atlantic Coast
- Innovations and Productivity in Data, Vessels and Terminals
- Moving Freight Through Urban Areas

Ports and steamship lines are no longer a catalyst in the transportation of cargo, but have been reduced to mere links in the chain.

Sea-Land

- The conference began appropriately with a tour of one of the largest privately owned terminals in the world, Sea-Land's container terminal in Elizabeth, N.J. The terminal consists of 225 acres (175 acres of container bays), 6,800 container bays, 7 gantry cranes,

and a 323-door warehouse which covers 250,000 sq. ft. Sea-Land's terminal includes two berths, 2,000 ft and 2,500 ft in length, respectively, which are both capable of handling Sea-Land's "Atlantic" vessels that carry 4,200 TEUs. The turnaround time for these vessels is approximately 18 hours, if six of the seven gantry cranes are employed. Also onsite is a satellite station, which allows Sea-Land to contact their entire fleet anywhere in the world by telephone, calculate vessel fuel consumption, vessel speed and the vessel's expected time of arrival. Due to the high container throughput, approximately 5,000-8,000 TEUs per week, Sea-Land has been experimenting with the concept of stacking containers, as opposed to their current method of grounding. Stacking is also planned for Sea-Land's new Rotterdam terminal, which is to begin operations in 1992/93. The future terminal will be Sea-Land's largest and completely automated with the latest EDI software.

In spite of these technological advancements, two current concerns of Sea-Land are (i) the "gate-to-gate" time required by trucks to deliver/pick-up a container; and (ii) the damaging of equipment. One method, currently being studied by Sea-Land, which would meet both concerns, is to increase the widths of the container bays from 10 to 11 feet. The objective is to reduce the number of swings required in order to safely ground a container. Ideally, Sea-Land would like to reduce the gate-to-gate time to less than one hour. The weekly average is currently 1.5 hours. Sea-Land is also experimenting with speedlanes, shipper-owned lanes and "signature required only" or T.I.R. lanes in order to flush in/out trucks faster.

Sea-Land's operations require a truck to transport the container to the shipper or to Sea-Land's intermodal operations at their Little Ferry Terminal. Little Ferry provides double-stack service coast-to-coast and services the N.Y./N.J. market. The terminal has 475 parking slots; however, 706 containers were onsite for Monday's double stack service to Chicago, Seattle/Tacoma, Oakland and Los Angeles/Long Beach. Little Ferry has two inbound and three outbound double-stack scheduled trains per week. The terminal has six rail tracks, three working and three supporting, capable of carrying 25 cars per train (5 double-stack platforms (10 containers per car). Several



objectives of Sea-Land were mentioned; but one point was emphasized at both the container and intermodal terminals, i.e. to safely and quickly turnaround trucks/containers. Charles Ramond, a luncheon speaker from Sea-Land Service Inc., spoke on opportunities for intermodal operations and gave a premiere showing of Sea-Land's new marketing video tape. This ten-minute tape encompassed all Sea-Land's intermodal operations and shed light on the sheer magnitude of these "mega-carriers".

Strategic Marketing Plan

Several themes emerged from the panel sessions at the conference. A number of American ports emphasized the importance of having an intensive strategic plan. The benefits of having long-term objectives will outweigh those benefits received from achieving short-term goals. Most importantly, the strategic plan must encompass the "big picture" of the market area. The strategic plan must examine the port's commodity mix (containers versus break-bulk), trade routes (Far East, Europe,

- container port, over 800 acres in size, which will include onsite rail facilities and reduce the "gate-to-gate" time for trucks to 20-45 minutes.

The most extensive strategic plan presented at the conference was by Anthony Shotwell of the Port of Long Beach. The ports of Long Beach/Los Angeles have created a long-term co-operative strategic plan called "The 2020 Cargo Handling Operations, Facilities and Infrastructure (OFI) Study". Of interest were the capacity requirements necessary, including infrastructure and land, in order to maintain the

- railroad companies, brokers and distribution centers. Groups and committees meet regularly to discuss problems, responsibilities and concerns, such as overweight containers, double-stack schedules, gate delays and information requirements.

Value-added Services

- "Value added services" are becoming increasingly necessary as intermodal players attempt to meet the shippers' needs. This point was reiterated by all links in the intermodal chain. Consolidation services are



The benefits of having long-term objectives will outweigh those benefits received from achieving short-term goals.

smaller less competitive routes), the viability of the steam ship lines currently calling at port (the giants versus the local barge operations), large versus small terminals, and the competition with other modes or ports. Expansionary plans may then be initiated in order to allocate the capacity to meet the expected demand.

Ports are market driven and as Frank N. Caggiano of the Port Authority of New York/New Jersey noted, "Cargo does not have to come here, customers want to come here." In fact the advantages of a large local population base and geographical location no longer guarantee success. Issac Shafran of the Maryland Port Administration explained how Baltimore declined in east coast port standings from first to third, behind New York/New Jersey and Norfolk. Baltimore fell despite being the closest port to the American heartland and having the fourth largest and fastest growing population base in the United States, encompassing Washington and Baltimore. Baltimore plans to regain the lost ground with the aid of the Seagirt Marine Terminal, a state-of-the-art, 250-acre container terminal. Combining Seagirt with Dundalt will create a massive

- current and expected growth levels (see summary attached). The ports of Long Beach and Los Angeles have realized the benefits from co-operation that can be experienced by both ports and the region, which in 1987 had a GNP of US \$22.8 billion dollars or the seventh largest in the world.

The Port of New York/New Jersey also spoke of the co-operation necessary to move freight effectively. However, this co-operation was between steamship lines, terminal operators, trucking companies,

- being required at the port, with more volume rates being offered to entice the rail and truck companies. Special rates for barge services are also in the offing along with a full range of customer services, such as EDI, tracking, routing and documentation. Other value-added service strategies include the leasing of 20-ft container chassis for \$8 per day, better signage from/to highways, rail/truck rates to anywhere in the US (a service which has grown by 500-600 percent in the last five months over the previous five months in Baltimore). Due to the increasing

number of services being offered, customers are demanding a rate based on the cost of the services used only!

Efficiency

How can goods be moved more efficiently? Representatives from a variety of inland carriers presented a number of cargo handling methods they had been experimenting with. Kevin Donohue, of Triple Crown Services, discussed a retractable set of rail bogies that attach to tractor trailers and, therefore, take only three minutes to

- current transportation methods.
- Frank R. Harder of Penn Trunk Lines, a wholly-owned subsidiary of Conrail, used basic microeconomics to back his "build smaller terminals" view. His research showed that increased economies of scale did not result with increased lifts and the optimal volume was 100 lifts per day or 35,000 lifts per year. He viewed big terminals as being necessary, but smaller terminals are able to meet customers' needs more effectively.
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vital. Some optimistic analysts predict 50 percent of the effort to move goods in the future will be in communication, compared to the present 20 percent. This will require a reduction in the flow of paper documents, a need for more real time information systems, and an increase in the accuracy of the information available.

And finally, within the transportation industry, it is becoming an increasing challenge to identify and retain qualified employees. Personnel departments are concerned with the decreasing supply of qualified personnel, lower national education levels (US), specialization of skills requirements and changes in global market patterns, such as the Far East, E.C. and USSR.

Conclusions

"Effective intermodalism is only as good as the weakest link in the transportation chain", said John Dumbleton of US Maritime Administration. Therefore, modes and carriers are investing in more efficient ways to move cargo via their mode, thereby reducing the threat of becoming the "weakest" and most vulnerable link in the chain. Ports and steamship lines are no longer a catalyst in the transportation of cargo, but have been reduced to mere links in the chain. Therefore, reliability and minimal downtime in the maritime component is essential to keep the intermodal chain operating. Performance goals include reducing fuel costs, reducing maintenance costs, improved safety, reduced engine downtime, reduced crew workload and improved maintenance management. If ports and steamship lines intend to remain as a vital role in the transportation of cargo, then strategic marketing plans must be developed and implemented, co-operation with other modes and ports is necessary to make the chain viable, and investment into innovative means of moving cargo must be encouraged.

The conference concluded, as it began, with a tour of an international mega-carrier's, American President Lines, intermodal yards. Many of the points made at Sea-Land's terminal and the conference were reiterated at APL's terminal, such as the desire to reduce the gate-to-gate time in the terminal, the need to expand the services currently being offered, to introduce new services, to decrease operation costs and increase efficiency in their link within the transportation chain, increased safety and decreased equipment damage, and to work with other modes, carriers and shippers to better serve their customers.

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Following the tracks

A challenge to Canadian ports and railways

by John W. McDonald*

The purpose of this article is to draw attention to certain recent initiatives by US freight container operators which appear to pose a threat to Canadian containerized port traffic. These initiatives represent only the latest in a number of developments likely to impact unfavorably on Canada's container ports; they may be seen as further evidence of the extreme competition in the continental container-traffic market, within which Canada's ports are operating.

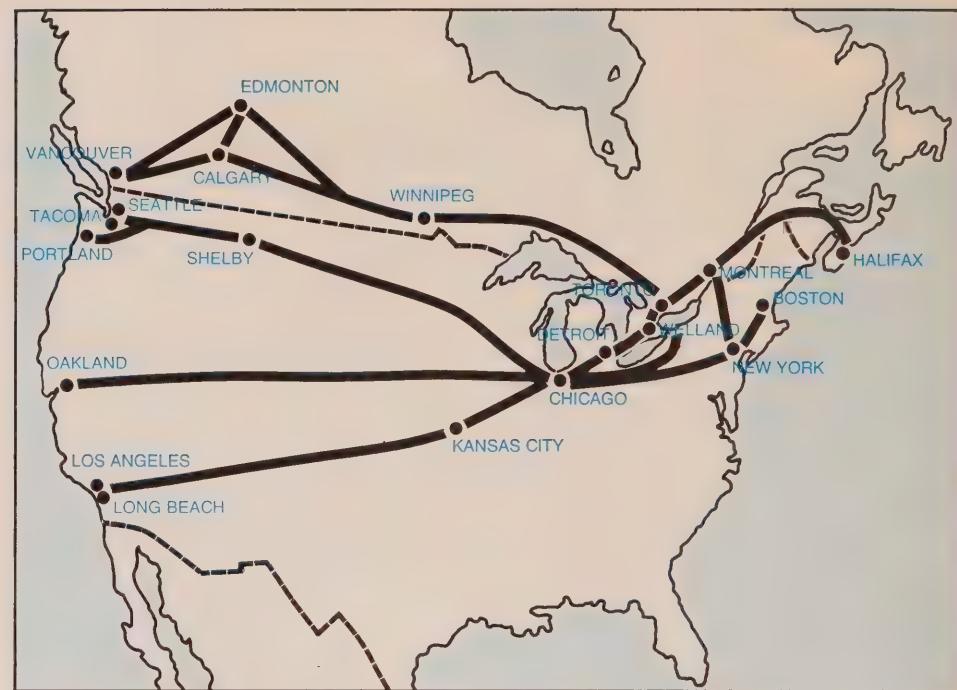
Background

The diversion of Canadian container traffic to US west coast ports, particularly those of the Puget Sound, Seattle and Tacoma, is not a recent phenomenon. Since 1980, Vancouver has experienced loss of container traffic to the US ports for a number of reasons having to do with cost, most notably the notorious "container clause". This was a restrictive labor practice which, it was alleged, added considerably to the cost of moving a container shipment through the Port of Vancouver.

Although shippers and receivers sought to avoid the clause by routing containerized cargo via Seattle or Tacoma, the traffic invariably was moved into the Vancouver area by truck. Some 75 percent of all Vancouver-area container traffic then moved eastwards via Canadian railways, principal destination being south-west Ontario.

During the period 1986-1988, the number of double-stack rail services operating from the US Pacific coast to central and eastern US destinations proliferated. By 1988, the number of such trains had reached 76 weekly departures. These services have caused a shift in operations away from the Asia-Canadian east coast all-water route, to the mini-landbridge services via the US west coast. Some 75 percent of all US Far East trade now routes via the west coast. This phenomenon has been directly responsible for the Japanese shipping lines' port rationalization which led to the demise of Saint John, N.B., as a major container port.

The mini-landbridge services, built on foreign and US shipping line involvements in ocean terminals and double-stack rail services, served to provide efficient, low-cost transportation for US inbound and (to a lesser extent) outbound traffic. Such Canadian traffic as moved on these services was considered only as top-off cargo to fill



empty slots and, since demand for service tended to exceed supply, little accommodation was available. Such cargo was marginally priced and turned over in Chicago to connecting rail and truck carriers for furtherance. There was little interest by US connectors and virtually no solicitation in Canada of backhaul cargoes. At the same time, the major Canadian container ports, Montréal, Vancouver and Halifax, all continued to experience quasi-exponential growth in container cargoes handled. Any leakages to US surface systems was not viewed as being crucial. The container traffic, expressed in twenty-foot-

equivalent units (TEUs), which moved via these three ports 1986-88, is shown in Table 1.

Recent Developments

During the second half of 1988, there emerged a number of developments in the international container trades which may threaten the continued growth of such cargo at Canadian gateway ports. In addition, Canadian surface carriers presently making investments in intermodal capacity and equipment may find certain traditional all-Canadian cargo routes jeopardized by US initiatives. The developments included:

CONTAINER TRAFFIC VIA MAJOR CANADIAN PORTS 1986-88 (Twenty Foot Equivalent Units)

Port	1988	% Increase	1987	% Increase	1986
Montreal	560,441	(2 %)*	575,000	8 %	531,000
Halifax	412,000	24 %	332,000	22 %	271,000
Vancouver	306,000	9 %	281,000	26 %	223,000

Source: Published ports Statistics.

* Note: The apparent reduction in traffic for Montreal is somewhat misleading in that the reduced TEUs is largely the result of less empty container handling while content tonnes handled in fact increased.

- The continued rationalization by shipping lines of their Pacific ports of call; Vancouver, consequently, losing direct calls by three ocean lines.
- Continued shore-side investments by foreign shipping lines in terminals and rail capacity which, in turn, has "committed" them to US "base" ports while maintaining a flexibility towards port selection elsewhere.
- The expansion of barge-feeder services by Fraser Port which assists lines not presently making a west coast Canadian call. The barge services, one owned by Foss Maritime of Seattle and recently joined by a second owned by K-Line, move some 300 forty-foot boxes per week. This has enabled lines calling at Seattle-Tacoma (SeaTac) to maintain and expand their valued Canadian export backhaul.
- A related realization by foreign shipping lines that central Canadian container traffic represented more than just top-off cargo for their scheduled doubled-stack train (DST) operations to the US mid-west. The result was a shift from "surge" capacity marginal pricing to fully allocated cost pricing.
- The improvement of Chicago-Toronto (and Montréal) rail run-throughs by Canadian rail companies. These were intended to assist Atlantic traffic moving via Canadian eastern ports but have of late (for CN) attempted to garner Ontario traffic moved via US longhaul systems.
- The apparent failure of Canadian container rail companies to fully appreciate the possibility of US rail predation of Canadian traffic, particularly with regard to backhaul traffic. This westbound cargo, traditionally moving at premium Canadian rail rates has found alternative US transportation at rates sometimes half the Canadian tariff.
- The advent of Canadian regulatory reform and the easing of entry into the Canadian market by US systems. This phenomenon is likely to be augmented by the US-Canada Free Trade Agreement which portends increased transborder traffic. US integrated distribution systems view Canada as an attractive addition to the continental market place. This is due in part to decreased opportunities for expansion in the US brought on by a maturing market typified by merger and acquisition and increasingly concerned with market share.
- The rapid growth of the third party (freight forwarder, freight broker, NVOCC, etc.) as a solicitor of Canadian traffic. Controlled by third parties, such traffic becomes essentially both port and land-route blind.
- The continuing preference by Canadian intermodal operators, both carriers and ports, to market their individual competencies and attributes rather than to

- represent themselves as invisible links in a chain making up an effective all-Canadian distribution system.

- The cumulative effects of the foregoing have been to weaken the attractiveness of the all-Canadian route for central Canadian cargo. The alternative, routing via US ports and surface systems which are perceived to be lower cost by virtue of volumes handled, is increasingly threatening not only future Canadian intermodal development but the existing traffic as well.
- Present concern is focused on four different initiatives.

1. Seattle and Tacoma to Canada via Chicago

- The Puget Sound ports had long been an option for Canadian importers, particularly third parties who sought to avoid the Vancouver container clause. Even so, most eastern Canadian traffic was trucked to

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The diversion of Canadian container traffic to US west coast ports . . . is not a recent phenomenon.

- Vancouver rail yards or freight forwarders warehouses and then railed out by CP or CN. Canadian rail longhaul was thus preserved.

- Since the removal of the container clause (January 1, 1988) some 25,000 boxes (or about 40,000 TEUs) are said to have been regained by Vancouver from SeaTac.
- Virtually all of this traffic was handled by lines making calls at SeaTac and also Vancouver. At the same time, however, an increasing volume of central Canadian traffic has been lost to US longhaul rail routes through Chicago. US subsidiaries of Canadian railways (primarily GTW for CN Rail) serving Chicago then handle the boxes into Toronto and Montréal.

- Estimates differ on the volumes now being routed via Chicago. The Port of Vancouver has suggested the volume may be up to 600 boxes per week, while CN Rail indicates the volume to be lower, at 350 to 400 boxes per week. Vancouver forwarder, Locher Evers International, supports the port's estimate although adding that the 600-figure may represent TEUs which could translate to 450-500 actual boxes.

- All agree that this US transit traffic is the product of 4 major ocean carriers: Sealand,

- APL, Maersk and K-Line. Estimates as to their individual market shares differ considerably, but all respondents agree that the volume is growing. In addition, Hanjin and Evergreen are also known to be contributing boxes to the US routes. (None of the above lines maintain a regular port call in Western Canada but do place empty boxes in the Vancouver area to solicit export backhaul which is handled by US-based barge services from Fraser Port to Seattle-Tacoma.)

- Taking the worst case scenario, the estimated loss of traffic would be between 30,000 and 40,000 boxes per annum. This represents the equivalent of between two and three double-stack trains per week, using present configurations.

- In addition to the loss of longhaul inbound traffic, the Canadian railways may be facing the loss of some lucrative west-bound traffic. Although smaller in volume, Canadian outbound boxes moving on these US rails are estimated at between 5,000 and 10,000 boxes per annum.

- The Port of Vancouver estimates that in addition to the SeaTac transit traffic, some 10,000-15,000 TEUs of Canadian traffic are presently moving via California ports; although CP Rail at least, still refuses to make rates on such traffic via Chicago or Kansas City interchanges.

2. Norfolk Southern Railway Terminal at Welland, Ontario

- This terminal, leased from CN to handle piggyback traffic, began to receive double-stack train service from Chicago on the Norfolk Southern railway in April 1988. Originally handling containers for Maersk lines routed from Tacoma, the terminal began also to handle boxes for K-Line in July. Total box volume moved during 1988 was some 5,400 units. The piggyback service handled some 38,000 units.

- On a weekly basis each line contributes about 80 boxes loaded inbound. On the outbound, while K-Line has only a small volume, the Maersk boxes are fully loaded with both export and domestic cargo (i.e. Toronto to Vancouver, cross continent on US rails, for local consumption).

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- Current plans call for expansion of the terminal to 2.5 times its present size and Norfolk Southern has indicated its intention to commit \$1.5 million in this regard during 1989. Traffic forecasts for this year are for some 15,000 units to be handled.

- Due to the present capacity constraints, Norfolk Southern is reported to have approached CP for a joint rate to operate to Tillsonburg, Ontario, but were rebuffed. They then approached CN with a view towards securing a rate into Hamilton,



Ontario, which CN refused. It has been suggested that N.S. may attempt to gain direct access to Hamilton by requesting the National Transportation Agency to establish a competitive line rate (CLR) between Hamilton and Welland. The Port of Hamilton has been cited as a possible terminal for consolidation and distribution of containers for Toronto area. The result would be an effective elimination of CN Rail's short-haul of west coast traffic from Chicago to Toronto.

The driving force behind these initiatives appears to be the recognition by US carriers that the Toronto area represents a strong market potential for both inbound and outbound volumes. Their desire to position themselves directly in this market is understandable, although the transportation economies effected by using three rail carriers to Welland and a truck haul to Toronto are not so apparent. It may be that the key marketing point is the total elapsed time for ships' side to customer's shelf which, based on departures, would appear to favor the US routing. This, in turn, is abetted by the ship call rotation which favors the Puget ports by one full day, although each element of the Canadian system remains fairly competitive with its US counterpart, at least on a dollar-cost comparison. Where a transportation cost differential is marked, it has been suggested

- that this is the result of a US system pricing structure which does not fully reflect the costs of providing the service.

3. Conrail Intermodal Operations to Montréal

- It is understood that Conrail, premier rail carrier in the US northeast, is seeking access to Montréal via its line through Syracuse, N.Y. The intention appears to be to move additional container cargo from the Port of New York into or from Montréal by rail to compete with current truck operations, most of which are presently managed by Canadian truckers. Present annual volume is about 20,000 TEUs. At the same time, a major Pacific shipping line is believed to have finalized an arrangement to move Montréal destined traffic from Tacoma to Chicago with the BN, there to be interchanged to Conrail for furtherance to Montréal.
- In either event, Conrail is believed to be examining the possibility of constructing an intermodal terminal to handle double-stack trains at Beauharnois, Quebec. Due to their long-time access to Montréal terminals via suburban Adirondack Junction, Conrail may well succeed in securing port access via a directed interswitching charge. It is felt that the current delay in finalizing this access is due to Conrail trepidation over possible Canadian railway retaliation in newsprint movement agreements.
- There has been a related initiative in the

- form of a recent approach by Delaware and Hudson Railway, to handle New York containers to and from Montréal via Lacolle, Quebec, at the US border. Presently up for sale, both Conrail and CSX have indicated interest in Delaware and Hudson Railway, but the buyer is likely to be the New York, Susquehanna and Western Railway, a New York short line which currently handles Conrail double-stack trains to New York due to height restrictions on Conrail main lines.

- US double-stack service, in the form of a K-Line train from Tacoma has in fact, already reached Montréal. Beginning in March, the service using UP, C&NW, NS and the New York, Susquehanna and Western, moved 61 containers into Lacolle, Quebec. The final 40 miles from Lacolle was handled by truck. Despite the accepted economies of double-stack operations, the movement to Montréal involved four US rail carriers and a truck haul. It remains to be seen whether the economics of such a segmented routing justify regular operations.

- The Conrail initiative is considered to be of greater concern since it would provide a two or at most, a three-line haul from SeaTac to Montréal. The major loser in this case would be CN Rail which handles a considerable volume of Chicago to Montréal traffic on its integrated Laser services.

With regard to movement to and from the Port of New York, the most immediate threat is to Canadian truck operators but, although many Montréal area shippers presently use the Port of New York for specialized shipments, e.g. refrigerated products, it is felt that US rail interest is not merely truck competitive. In 1987 and 1988, the Port of Halifax has experienced container traffic growths of 22 percent and 32 percent respectively. The growth has derived from both Southwestern Ontario and US mid-western sources. It may be US rail intentions to bleed off some of this burgeoning traffic to New York, particularly for those lines which presently call at both Halifax and New York.

It is understood that the initiator of the Conrail proposal is a New York terminal operator who is seeking to enhance his throughput. His clients include several shipping lines which presently call at Halifax as well as New York. The operator's on-dock rail service appears to be a potential marketing tool aimed at securing the Canadian-routed traffic for New York. The result would likely be the loss of some direct ocean line calls at the Port of Halifax which would permit those lines an additional port of call in Europe or elsewhere.

While the Conrail-New York initiative may indeed remove some Halifax traffic, and possibly, some of Montréal's, it is doubtful that the anticipated volume, say 20,000 TEUs, would give much challenge to Halifax's present volume, which exceeds 400,000. Still, the erosion may be sufficient to stall Halifax's initiatives with CN seeking improved rail connections and efficiencies.

4. Burlington Northern Operations to Southern Alberta via Shelby, Montana

The town of Shelby, Montana, lying close to the Canadian border on the direct east-west BN mainline, is presently developing an intermodal inland load center. This terminal is intended to provide a US rail and port routing alternative for southern Alberta-and Calgary-area traffic.

The Shelby operation calls for the supplying of ocean containers to Canadian (and north-Montana) shippers. The loaded containers are then trucked to Shelby where they are transferred to BN double-stack rail cars for the haul to Seattle-Tacoma. It is understood that Shelby has already negotiated price contracts with these two ports. For its port, Burlington Northern is said to be aggressively pursuing Canadian box traffic in the area since much of the central Canadian container traffic currently moves on the Union Pacific Railroad.

Lumber, other forest products, specialty grains and chemicals are targeted export commodities. In addition, there are indications that Alberta Intermodal Services has shown interest in the Shelby operation. Based in Calgary, AIS moved some 36,000 TEUs via CP-Rail and the Port of Vancouver in 1988.

Effects and Considerations

- Should there be predation by US systems, and the potential threat to Canadian intermodal operations realized, the net effect may be the following, among others:
 - A loss of inbound Canadian port container traffic. Most likely to impact the ports of Vancouver and Halifax, the loss of actual tonnage will be felt less than the loss of port revenues and local employment.
 - An additional negative impact on container throughput. It remains a fact in the container trades that 'volume builds volume' in attracting additional ocean lines, surface carriers and ancillary industry. All three major ports will be affected.
 - A possible increase in port operating charges assessed against less flexible traffic; e.g., throughput charges on bulk commodities. Most affected ports: Vancouver and Montréal.
- A loss to the Canadian railways of lucrative outbound domestic (and export) cargo, with a consequent impact on revenues and their ability to lower other rates or invest in new plant and/or equipment. On the inbound, the Canadian railways may be able to preserve some participation via short hauls, taking Canadian traffic at Chicago while losing the long haul from the west coast, but this is by no means assured.
- From a policy perspective, such erosion of container traffic through Canadian ports would call into question the wisdom of future government investment in expanded container handling facilities. At the same time, there could be need to examine alternative means of assisting ports, particularly where regional development aspects of port economic activity and employment figure prominently.





PORT OF SEATTLE

that these several US carrier incursions into Canada presage an invasion and a large scale replacement of Canadian rail hauls with the (allegedly) more efficient, cost-effective US systems. This is not, at least in the east, the case. The real battle is shortly to be fought west of Chicago where the various competing ocean lines and their surface systems struggle for market share. The competition is to offer the through, invisible, transportation package built on volume with distribution east of Chicago being essentially a local affair.

Part of this strategy is to assure full load factors and balance of movement. These requirements render Canadian inbound and particularly outbound, cargoes attractive to the US systems and one can expect active solicitation for this traffic to increase. The advent in the Pacific trades of the 4,000-TEU vessels will only augment the capacity in the allied rail systems and the consequent search for backhaul, some of it from the Toronto/Montréal areas.

In 1986, the US west coast share of Canadian container business was some 150,000 TEUs, little of which moved via US longhaul to central Canada. Today, that figure is essentially the same despite the recovery of boxes formerly diverted south to SeaTac by the Vancouver container Clause. The current figure, however, contains a far larger component of traffic originating in, or destined for, central Canada which is moving via US systems. This, in turn, represents a loss to both Canadian port and surface transportation systems where economics of scale, built on volume, have always been fragile and where future growth may be truncated by the US alternative.

Conclusion

This article set out to delineate the nature and substance of the current threat to Canadian port and railway intermodal cargo, posed by US systems. Since the driving forces behind these developments are largely beyond Canadian control and the international competition can only be expected to intensify, no natural, nor Canadian legislative remedy, seems to suggest itself. Yet to suggest that the future is entirely bleak would be to underestimate the potential of the Canadian system.

In a subsequent article "Container Traffic through Canadian Ports - Enhancing the Competitive Position", some competitive approaches and alternatives aimed at enhancing the attractiveness of the all-Canadian system, will be examined.

One effect on Canadian transportation has already manifested itself. In February 1989, CN Rail inaugurated Canada's first double-stack train service from Vancouver to Toronto. The containers handled were for OOCL and NOL ocean lines. The former is now believed to be losing business to K-Line as a result of that company's own double-stack services to eastern Canada via Chicago and Welland. To remain viable, the CN train requires a minimum of 100 TEUs per week in order to fill a set of 10 cars. At the time of its inauguration, this volume was readily achievable but now, a scant three months later, is understood to be in some jeopardy.

Another consequence of the US port routings has been the decision by Hyundai Auto to slot charter 500 container slots per week on K-Line's service to Tacoma. At one time, a direct call by Hyundai Merchant Marine at Vancouver was contemplated, but

- required a 200-FEU-per-week volume which is considerably above present levels. The movement of auto parts to Bromont over Canadian rails can qualify as "Canadian content" for tax/subsidy purposes and although the Port of Vancouver was unable to secure the ship call, CP Rail, following an approach by BN, will now receive the boxes in the Vancouver area, delivered there from SeaTac by the BN. It may be that Canadian railways, in order to protect traffic levels, will be forced to handle an increasing volume of Canadian container traffic to and from US Ports.

Assessment

- There appears to be persuasive evidence that the threat to Canadian port (and to a lesser extent, Canadian railway) container traffic is real and present.
- From the industry press, it might appear

*John W. McDonald, CITT, MCIT, is an Intermodal Specialist with National Shipping Policy, Transport Canada, Ottawa, Ontario. He also lectures in logistics management.

The Shape of Things To Come

SAIN JOHN, N.B. — Global trends, and how macro-economic developments relate to world trade and to ports, was the topic of the first panel at Ports Canada's fifth annual business conference, held here last June 13-15. The moderator, Malcolm Willingale, editor, Lloyds of London Publications, started the panel off with his list of what he saw as the major political and economic developments with which international trade will have to cope. His panel of three speakers then carried on with this theme through an overview of major forces effecting trade, an outlook of how international trade patterns are affecting Canada's markets and products and a view of regulatory developments in the United States.

The panel's first speaker was Jeffrey Chisholm, Executive Vice-President and Treasurer of the Bank of Montreal. The central message of Chisholm's remarks was that "the world is moving in the direction of a one-market economy" and we cannot insulate ourselves, or our trade, from global conditions. Global prosperity depends on an open, liberal global trading system. However, despite widespread recognition of the dangers of protectionism in dampening economic growth, there is a risk that political leaders will opt for protectionist trade policies to solve their individual economic and political problems. With the general expectation among economists being of a coming economic slowdown, the pressure in favor of protectionist policies will likely increase. In spite of the pressures for protectionism, Chisholm was optimistic in his belief of the ability of the world's trading nations to resolve global economic problems.

Michael Sclar, Vice President and Senior Partner, Temple, Barker & Sloane Inc., presented a global outlook for trade and the implications for Canada's sea trade. It is evident that world production is being rationalized, trade barriers are being lowered and global outsourcing and marketing is becoming more commonplace. As a result, the importance of world trade to the global economy is becoming greater. The forecast of Temple, Barker & Sloane is that over the next five-year period, the economies of the industrial nations will grow at about 3.5 percent per year. But total trade is expected to grow at a rate of about 5.5 percent per year. By 1993, world trade is projected to equal about 36 percent of the world's economic activity, compared to 28 percent in 1983. For Canada, trade is even more important than for the world in general. For



Sclar (left), Gradison, Willingale, Chisholm.

1990, it is estimated that external trade will account for about half of Canada's economic activity.

With respect to dry bulk traffic, it is expected that the growth in Canada's exports of almost 3 percent per year will keep pace with growth in total world bulk trade. On the strength of their demand for coal and grain, Japan and the Far East will be the major markets for Canada's dry bulk commodities in terms of both volume and growth accounting for about 51 percent of Canada's dry bulk exports by 1993. However, Canada's dry bulk imports will experience a net decrease by 1993 due to declining coal imports from the U.S. by Ontario Hydro.

For global containerized trade, Temple, Barker & Sloane expects an annual growth rate of about 6 percent between now and 1993, as compared to the actual growth rate of 5.6 percent over the 1984 through 1988 period. Canada's container trade is expected to experience an average annual growth rate of almost 5 percent through 1993, or about one percentage point lower than the global

growth rate. The major area of growth will be in trade with Asia, for which a growth rate of 6.5 percent is expected.

The panel's final speaker was Heather Gradison, Chairman of the U.S. Interstate Commerce Commission, speaking on the experience in the United States with respect to transportation deregulation. According to Gradison, the "decreasing reliance on rigid, and often arbitrary, government control of pricing, entry and exit, and increasing reliance on market forces instead, has delivered significant benefits to society, and promises to deliver even more." With respect to U.S. railways, deregulation has led to improved service, lower rail rates, the employment of modern management techniques and the elimination of the requirement for government subsidies to keep the industry viable. In conclusion, Gradison maintained that transportation deregulation has led to more efficient and competitive markets which has resulted in significant benefit for shippers and society in general.

• Brian Acheson

Managing Technological Change

Shipping has gone through 15 years of its most devastating financial crisis. Responding to freight rate improvements, mothballed ships were reactivated for trading in 1987/88 in vast numbers. In the case of some tankers, this represented their first commercial voyage. For owners with professional lay-up methods, these ships are nearly as good as new. But what about mothballed personnel - can they be reactivated? With this thought provoking question, Dr. John M. Doviak, Director of the Cambridge Academy of Transport, opened the panel on *Managing Technological Change* at Ports Canada's fifth annual international business conference. Doviak remarked that with fewer professionally-trained and qualified seafarers, ships need to be more reliable and more productive. More productive and reliable ships can only be had by incorporating new features at the drawing stage. New designs incorporating technological advances will require a new breed of seafarers with skills to match. Shipboard automation may bring with it much more demanding seafarers who will be looking for responsibility and long-term job prospects.

Although most ship owners have not been in a financial position to respond to technological challenges, a number of advances have been made in the area of propulsion, ship design and manning, in an attempt to reduce operating costs. The oil price hikes in 1973 and 1979 created incentives to reduce fuel cost. The result is a new breed of slow speed, large bore, long stroke diesel engines such as the Sulzer 57000 bhp engine powering the new APL C10 container vessels and the B&W 64,000 bhp engine on a direct drive at 90 rpm to a large propeller, which will power the new Maersk container ships. In regards to ship design, Japanese and Korean shipyards, locked in a struggle for world supremacy, could scarcely afford to invest in design research and development, and few owners encouraged them when all that was required was the lowest price. It is perhaps not surprising that it is the container ship operators who have pushed back the frontiers of ship design as they could make savings by speeding up the ship turnaround time. APL was the first liner operator to build ships that could not traverse the Panama Canal. These ships are ordered from German shipyards and incorporate many automated features that were developed in the German "ship of the future" project. These vessels have the capability to load a wide range of container sizes from 20 ft to 48 ft. They also have a special bridge between hatch covers to aid in the lashing of on-deck containers. APL's design achieves quick vessel turnaround, good sea keeping in bad weather and fast transit times. The same objectives led

- Atlantic Container Line to develop their G3
- series of vessels with the distinctive cell
- guides above deck. The trend in manning
- over the last decade has been to employ
- offshore ship management firms to look
- after the operation of the ships. It seems
- ironic that the institutions that did more to
- reduce seafarers employment prospects
- during the last five-six years should now be
- crying that there is a shortage of seafarers.

*More productive
and reliable ships
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the drawing stage.*

- During the past three months, the major five ship management companies have set up a working committee to study ways that the shortage of trained seafarers can be overcome. Today's top executives will need to reverse the decline in esteem which has characterized shipping in the 80s. Investing in technology may be one way to boost morale and reduce operating expenses.
- Doviak wrapped up his presentation by identifying the following areas of technological penetration: Integrated shipboard control and navigation systems subject to expert system guidance; discerning, demanding and skilled seafarers who will become highly prized as the next generation of technically challenging vessels come on stream; Electronic Data Interchange will continue to penetrate the main route liner trades, drawing ports into the network; and owners will once again look to large ships in seeking economy of scale in operations.

- The second speaker on the panel was William H. Dempsey, President of the Association of American Railroads (AAR). AAR represents more than 100 US freight railroads and AAR members haul more than 90% of US rail freight. Dempsey noted that competition between US freight modes has been heating up since 1980, when major legislation, reducing regulation of trucks and railroads, took effect. For railroads, the 1980 *Staggers Act* brought a new lease on life

- allowing greater rate flexibility and a chance to improve financial return. In order to position themselves for the fight for market share in a slower growing economy, railroads have engaged in a massive downsizing. Between 1981 and 1988, the average number of employees on major railroads was slashed by 44% and total miles of road shrunk by 16%, resulting in a 33% increase in traffic density. Increased business, however, was purchased at the cost of lower rates. Even without adjusting for inflation, revenue received per ton-mile has declined every year since 1982. As a result, railroads have embraced automation and advanced technology as a competitive survival tool. Railroads were pioneers in applying computer technology to freight operations. The history of data processing in the industry goes back at least to 1909, when a punch card system was installed on a Western railroad. As the management guru Peter Drucker recently said: "Today, American railroads are the most automated industry we have, only nobody knows about it". An example is CSX Transportation's newly opened, state-of-the-art dispatching system in Jacksonville, Florida. At this amazing facility, all operations, dispatching and crew calling for CSX's entire 20,000-mile system are handled at one location. The system is designed to dispatch 1,400 trains daily. However, no matter how quickly US railroads can incorporate improved technology, their future is subject to forces greater than technology alone. The direction of governmental transport policies affecting the railroads' main competitors, trucks and barges, will have a grave impact on the fate of US rail carriers. Truckload carriage has taken most of the post-deregulation traffic growth. Truck size and weight increases granted without adjusting already inadequate user-charge levels could cause massive diversion of rail traffic to highways. Dempsey concluded that managing technological change must go hand in hand with sensible, forward looking government policies to ensure a bright future for both road and rail.
- The next panelist was Professor Ernst Frankel from the Massachusetts Institute of Technology. Frankel suggested that technological change is the greatest challenge facing management today and that the main problem is that managers do not know enough about technology and that engineers do not know enough about management, resulting in inappropriate and untimely decisions. As a comment on Doviak's presentation, Frankel noted that only those shipping companies and those ports that continue to advance their technology are in a solid shape today after the hard time the industry has gone through. Frankel contin-

ued his presentation by stating that as much as 60% to 70% of economic growth in most areas of human activities are the result of technological change. Technological change, however, should not be introduced haphazardly. In order to be effective, technological change must be planned and it requires training, particularly training of managers. It must be remembered that technology change is not limited to equipment technology, but encompasses systems, components, services, networks and also organizational structure. The Singapore Port Authority, which has been very successful in introducing new technologies, has gone through no less than eight organizational restructurings during the last twenty years and in the process reduced its management hierarchies from 26 to 7 levels. Advanced technology usually requires far-reaching delegation of decision-making. A major force for technological change in ports is the fact that they are no longer monopolies. Hardly a port in the world faces no major competition. There are obviously many sources of new technology: it can be developed in-house; it can be acquired; it can be stolen; it can be developed on the basis of what others are doing. Increasingly, new technology in the transportation industry is acquired through third parties, who are often better equipped to project technological developments and better positioned to take advantage of cheaper financing and tax benefits. An example of this is the aviation industry where, today, 42% of all aircraft used by major airlines are leased from very large and knowledgeable aircraft acquisition and leasing companies. Examples of emerging technological developments in ports are container conveyors, automated high-rise stacking, block container handling, continuous container loading/unloading systems, floating container stacks, and even pre-fabricated, relocatable ports. Frankel finished by encouraging the use of a formal approach to the problem of effective decision making in regards to technological change.

The last speaker on the panel, Brian Parkinson, Secretary of the Trade Procedure Committee of the International Chamber of Shipping, addressed the subject of Electronic Data Interchange (EDI). EDI is defined as "computer-to-computer communication of business transactions using standard, highly structured, computer readable formats". According to Parkinson, there are many parallels between the impact which the standard size container box, introduced some 25 years ago, has had on international trade and the impact that EDI is having today, and will have in the future. Containerization in the mid-60s brought about a fundamental change, not only to maritime transport but to port and other operations also. The vast increase in efficiencies can be illustrated by the fact that from the ship-owners' point of view, one fully container-



Frankel (left), Parkinson, Doviak, Dempsey, di Paci.

ized vessel in the Europe/US trade has replaced 5 or 6 conventional vessels. With regard to physical movement of cargo from place to place, much work has been done and investment made by carriers, port authorities and all intermediate cargo handlers in the design and provision of modern cargo handling equipment and facilities. In parallel with the flow of goods from producer to consumer, there is, of course, the flow of information. The type of information that flows with the goods has not changed much over the last two thousand years. What has changed, during the last thirty years, is the structuring of the information and the harmonization of procedures. In 1973, the United Nations Economic Commission for Europe (UN/ECE) issued a Standard Layout Key for Trade Documents. This has allowed each organization to produce whatever forms were required for the fulfillment of its particular part of the trade transaction. The use of in-house computers grew in the 70s and 80s to such an extent that most parties now have access to some kind of computer facility. The result is that most output from one computer now becomes the input for another computer. The answer to this inefficiency is EDI. However, in order to get two computers to "understand" each other, there is a need for standards and in 1988 the Working Party for the Facilitation of International Trade of the UN/ECE adopted the syntax known as EDI for Administration, Commerce and Transport — EDIFACT — as the basis for this standard. Based on this computer "grammar", standard messages

- are now being developed under the auspices of the UN/ECE by message development groups in Eastern Europe, Western Europe and in North America with representatives from industry, government and trade associations. These groups have joint meetings twice a year to co-ordinate their developments to ensure that truly international standards are achieved. Within the transport field, work is concentrated on the development of a message framework, the International Forwarding and Transport Message Framework which will cope with all information required to be transmitted for international transport such as booking, transport ordering, transport contract and arrival notice messages. In a short time, therefore, international trade will be in a position where it has an agreed set of international standards for the transfer of information so that information on a particular consignment will need to be entered into a computer once and once only. Parkinson concluded his presentation by suggesting that EDI is not an issue of having a "competitive edge" but one of survival. A few years ago many of those involved in EDI had a dream, a recognition that there was a missing link in the information chain. That missing link was EDI. To say that the dream has been totally fulfilled, yet, is an exaggeration, but the fact remains that many companies involved in transportation are already benefiting from EDI. In ten years' time, we will all wonder, like the telephone and the photocopier, how we managed without it. ♦
- Niels Rasmussen

Planning in a Dynamic Port Environment

The third panel at the Ports Canada Fifth Annual International Business Conference addressed the timely issue of *Planning in a Dynamic Port Environment*. Since the Conference's theme was *Strategic Development of the Transportation and Port System*, it was most fitting to address and to seek out the widest possible spectrum of transport-related developments and other commercial opportunities.

The Honourable David Crombie, Commissioner of the Royal Commission on the Future of the Toronto Waterfront served as panel moderator. In an opening statement, Mr. Crombie stressed the competitiveness of waterfronts today. Changes to waterfront properties are happening around the world as cities are becoming much more aware of their potential. Ports now have to take into consideration that people are coming back to the waterfront. More and more activities at waterfronts include industrial complexes, shopping and recreational facilities, housing developments and even airports. Also, the environmental revolution is assuming an increasing importance in people's minds. It is shaping government priorities and policies, reorganizing corporate strategies and changing personal behaviors and choices.

The London Case

The first speaker was Jeffrey Jenkinson, Chief Executive Officer at the Port of London Properties Limited. His presentation focused on port property development outside the normal run of cargo handling activity. He used the Port of London as an example and presented how the port used its land holdings as an opportunity to create an improved environment for the local community as well as to improve significantly the revenue of the port authority. The London case was not entirely straightforward in view of having to deal with people of different social backgrounds. He stressed that the key to dealing with the situation was communication with all groups about the port's plans, about what progress was being made and about how changes were going to affect individual families, people and businesses.

Jenkinson concluded that the key to successful development is to identify the market and to pace developments in accordance with market cycles.

Strategic Action in Swedish Ports

The next speaker, Hans Hansell, Executive Director at the Swedish Trade Procedures Council, presented the factors



Jenkin (left), Hansell, Crombie, Jenkinson.

- important for effective decision-making in port operations in order to better adapt to new circumstances. Among those he focused on were strategic action, organizational problems, unions, technological developments, federal port planning, and pictures of reality, such as pride, and how it influences our decisions to invest in ports. He also discussed competition and port rate setting.
- He touched upon the concentration of the port system. The theory behind this approach was the development of the large ports to the detriment of the small ones.
- This, however, did not happen, in view of the success presently experienced at many medium size ports.
- He concluded by calling for a "balanced view". Before considering investments in the infrastructure, terminals, piers as well as in intermodal connectors, ports should work toward a kind of balanced model. This model can best be achieved through impact studies for the ports and the elaboration of the positive benefits of having a port for economic development.

Port Structural Problems

- The last panelist was John Jenkin, Executive Director at the Australian Department of Marine and Harbours. He

• focused mainly on the structural problems, inefficiencies, rigidities and high costs that face ports in various parts of the world. He described, in particular, the Australian situation.

• Australian ports have suffered from a wide range of historic, systemic and structural inefficiencies. In a growing number of Australian industries, including ports, restructuring has already begun. The port authorities and the Australian Association of Port and Marine Authorities (AAPMA) have taken a more central role in the port environment, knowing customers, being part of the industry-wide decision-making process, and taking initiatives where necessary to improve port productivity.

• He concluded on the topic of Electronic Data Interchange (EDI). Australia is committed to favoring a genuinely national community network approach to transport and trade, facilitating the flow of information as a central community service, free of direct commercial interest. A national EDI trade network company, called "Trade Gate", has been formed and the system is expected to become operational in January 1990.

- **Ginette Morin**

Port as an Engine of Economic Growth

SAINT JOHN, N.B. — The importance of ports in generating business activity and economic growth was the topic of the fourth and final panel at Ports Canada's fifth annual business conference, held here on June 13-15, 1989. Erik Stromberg, President of the American Association of Port Authorities, who was moderator for this panel, noted that ports in Canada and the US must understand the economic impact of their activities in their local communities. By developing a strong understanding of the importance of port operations to local, regional, and national economies, it is more likely that ports will improve their image in the eyes of the government institutions and the public.

The first speaker on this panel, Dr. John Martin, President, Martin O'Connell Associates, reviewed the methodology used to conduct the economic impact analysis for Ports Canada ports. Martin believes, quite strongly, that ports are unique and each must be essentially modelled separately. As long as a similar analytical structure is used for each port, it is possible to compare the impacts at each port and to identify trends of system-wide economic importance.

The model is based on seaport activity with freight operators, cargo handling and vessel calls being the first level of activity. This activity generates four specific measurable impacts. There are jobs, both direct and induced, as well as, a general category called "related jobs". The other three measures are personal earnings, business revenue and federal, provincial and local taxes. In addition, these impacts are mea-

- sured for five economic sectors: transportation services; maritime service; port authority; banking and insurance; and those shippers and consignees directly affected by the port. Martin also talked about the uses of economic impact studies. Historically, they were used for public relations exercises. But now these studies are more important as tools to educate governments on the importance of ports to their local communities. For US ports, they provide valuable information for referendums on justifying port bond issues or port taxing authority.
- Port economic impact studies have also been used for planning purposes to determine which land uses throw-off the greatest impact and also in harbour dredging and river deepening projects, to justify the incremental benefits to local communities that could result from allowing larger vessels into the port. Evaluation of government issues is also an important use of impact studies. For example, government policy may call for the elimination of a subsidy which could change traffic patterns at several ports. The adjustments in traffic levels could be evaluated in part by their impact on the local economy.
- Anthony Tozzoli, President, New York Shipping Association Inc., was the second speaker on this panel. He addressed, from an historical perspective, how labour issues at the Port of New York have had an impact on the local economy. A port economic study which was done about five years ago concluded that the Port of New York-New Jersey generates about 200,000 jobs for the community. The study found that the port

- has a strong and direct impact in such areas as ship maintenance, business and professional services, printing and publishing, purchases of workers and port-related jobs in such areas as food, clothing and housing. It concluded that the port represents somewhere between 3-4 percent of the region's total activity. Tozzoli also raised the issue of the effect of containerization on labor. In mid-fifties there were some 30,000 longshoremen. Today, although there are 5,700 registered longshoremen, only about 3,000 work on the average day. This is the direct result of automation and containerization of the port's general cargo traffic. Tozzoli noted that the Port of New York was losing its sphere of influence as shipping lines and shippers were attempting to go around New York. Forty years ago, the Port of New York handled three quarters of US tonnage. Today, the only tonnage moving through New York is endemic to the local region.

- The Port of New York is undertaking a number of initiatives to expand its influence, such as reducing the guaranteed annual wage at the port. If it is possible to increase labor efficiency and decrease labor costs, something which will only be possible through long, hard negotiations, the Port of New York will likely become more competitive, increase its sphere of influence and, as a result, increase its economic impact.

- The final speaker on this panel was Joe Cocchiara, Executive Assistant for Management, Port of New Orleans. Cocchiara commented that as a result of his port's 1986 strategic planning exercise, it became clear that the port's prime prerequisite for existence as a public port authority was to generate economic activity. In a very real sense, ports are absolutely essential to all basic economic activity — whether it is in production or the export of that product from one economy to another. Indeed, the reason for the location of the Port of New Orleans was to provide a base for US trade in resource commodities moving up and down the Mississippi River system. Ports have also assisted in related industrial development in their local communities. This has been provided through a variety of mechanisms such as construction of facilities; the financing of that construction; and the creation of free trade zones. Cocchiara also noted that ports have facilitated new uses, in particular urban uses, for idle waterfront property. New Orleans has seen an explosion in development of its downtown waterfront. And, one of the prime reasons for this development is to encourage tourism.

• **Graham Pettifer**



CANADA PORTS CORPORATION

Cocchiara (left), Tozzoli, Martin, Stromberg.

Une Europe sans frontières

L'achèvement du Marché commun

par Jacques Lecomte*

Nous vivons dans un monde en mutation. Nous observons, à l'heure actuelle, que de nombreux événements se produisent de manière simultanée. Le Canada et les États-Unis ont conclu un Accord de libre-échange; la Communauté européenne est en voie d'achever l'unification de son marché; parallèlement, nous participons tous à la Ronde de l'Uruguay, les négociations multilatérales du GATT sur le commerce, probablement les plus ambitieuses entreprises à ce jour.

Avant toute autre considération, il convient de rappeler certains principes de base concernant les diverses formes que peut prendre une intégration entre des entités économiques distinctes.

Ainsi l'intégration peut être soit sectorielle soit globale. L'Auto Pact et la Communauté européenne du charbon et de l'acier (CECA)

- ou la Communauté européenne de l'énergie atomique (Euratom) sont des exemples d'intégration sectorielle.
- En matière d'intégration globale, on distingue d'abord la zone de libre-échange de l'Union douanière (voir accord du GATT, art. 24, paragr. 8). La zone de libre-échange comporte essentiellement l'élimination des droits de douane entre les pays membres, à l'exclusion d'un tarif extérieur commun.
- Tandis que l'Union douanière consiste essentiellement en l'établissement d'un tarif extérieur commun.
- Le Marché commun, entendu au sens de la Communauté européenne, constitue une forme d'intégration beaucoup plus poussée et actuellement unique au monde.
- Il cumule en effet à la fois les caractères de la zone de libre-échange et de l'Union douanière. Il comporte en outre un ensemble de dispositions établissant des politiques communes en matière notamment d'agriculture, de pêche, de concurrence, de fiscalité, de transport, etc., mais également des institutions telles le Conseil des Ministres, la Commission, le Parlement, la cour de Justice, le Comité économique et social et la Cour des comptes. En effet, l'objectif final de la Communauté européenne a toujours été et est l'union économique, monétaire et politique des États membres.

Qu'est-ce que l'Europe 1992?

- Son but consiste à éliminer les derniers obstacles à la libre circulation des biens, des personnes, des services et des capitaux à l'intérieur de la Communauté et, par ce fait, de créer un immense marché unique, composé de 320 millions de consommateurs per-



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mettant une circulation des biens, des services et des capitaux aussi aisée que dans les frontières nationales actuelles, voire plus aisée, que la circulation existant entre les provinces canadiennes. C'est pour réaliser cet objectif que la Commission des CE, dans son Livre blanc publié en 1985, proposa environ 300 actes législatifs visant à supprimer les entraves physiques, techniques et fiscales entre les États membres. Ces actes concernent des sujets aussi divers que l'harmonisation des contrôles vétérinaire et phytosanitaires, l'harmonisation des normes techniques pour les télécommunications, l'ouverture des marchés publics, l'alignement des taux d'imposition indirecte entre les États membres et la création d'un brevet propre à la Communauté.

L'achèvement du marché unique représentera un pas de plus vers la réalisation d'une réelle intégration économique européenne. À court terme, la suppression des entraves techniques entre les États membres se traduira par une relance économique appréciable pour la CE. L'élimination des contrôles frontaliers réduira directement les coûts en permettant aux entreprises de produire pour un marché beaucoup plus vaste couvrant toute la communauté sans qu'elles aient à s'adapter à une multitude de normes techniques nationales: elles pourront, de ce fait réaliser des économies d'échelle substantielles. De plus, ceci devrait contribuer à financer les développements par les industries tant traditionnelles que de pointe.

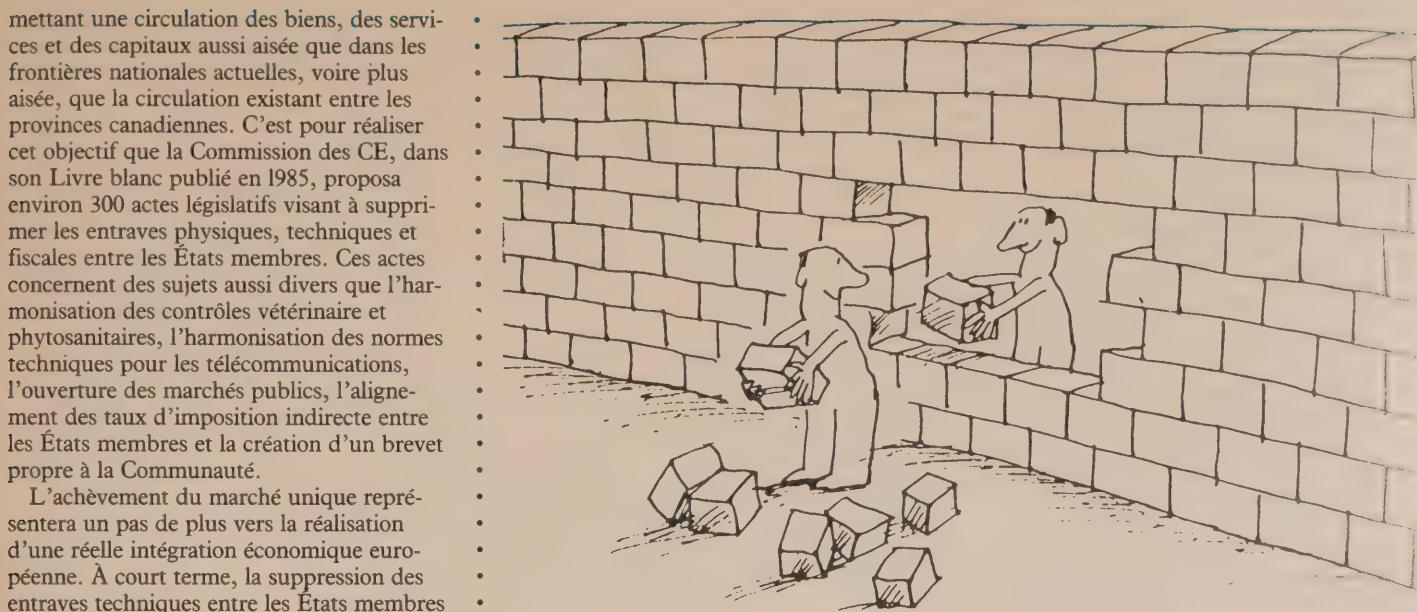
Une étude réalisée par la Commission des CE a illustré de manière assez évidente les coûts entraînés par les entraves actuelles et les avantages qu'aura une plus grande libéralisation. Cette étude estime que l'achèvement du marché unique ajouterait 5 % au PNB, soit un gain d'environ 300 milliards \$ CDN. À moyen terme, de deux à cinq millions d'emplois devraient être créés et en 1988, plus de 1,8 million d'emplois ont été créés. De plus, malgré une plus forte croissance économique, les prix des biens de consommation pourraient être réduits de 6 % en moyenne.

Où en sommes-nous actuellement?

Lors du Conseil européen qui s'est tenu à Hanovre en juin 1988, les chefs de gouvernement ont rappelé que le progrès vers la réalisation d'un marché unique "a maintenant atteint un point tel qu'il est irréversible, et que ce fait est reconnu par tous ceux qui sont impliqués dans la vie économique et sociale".

Deux cent soixante dix-neuf propositions de réglementation devaient être soumises par la Commission pour mettre en place le marché unique de 1992. À la fin de 1988, 90 pour cent de celles-ci avaient été soumises au Conseil des ministres, dont 50 pour cent ont été acceptées. Un tiers de celles-ci furent approuvées à la majorité qualifiée.

Les domaines où ont été accomplis le plus



- de progrès sont les suivants:
 - l'harmonisation des normes,
 - les marchés publics,
 - les services financiers et la libéralisation des mouvements de capitaux.
- En revanche, l'harmonisation des taux de TVA (taxe sur la valeur ajoutée), qui demeure une question politique très complexe, pose encore certaines difficultés.
- Toutefois, elle n'est pas aussi insoluble qu'elle apparaît de prime abord, car les taux de TVA dans les différents États membres se situent pour la plupart dans deux marges avec des taux extrêmes situés entre 0 et 33 %.
- Ce qui s'avère très intéressant à ce stade de préparation de la réalisation du marché unique de 1992, c'est que le secteur privé européen croit au projet 1992. La création d'un marché unique prévu pour 1992 a accéléré les investissements en Europe. En 1987, on avait estimé que les investissements augmenteraient de 4,5 % en 1988. Les données les plus récentes démontrent que ce chiffre, en réalité, est de l'ordre de 8 à 9 % pour l'année 1988, en raison surtout de la perspective 1992. Le secteur privé anticipe la mise en place du marché unique européen et, par conséquent, le mouvement actuel amorcé vers l'unification de l'Europe est un processus permanent qui ne peut être mis en cause.
- De nombreux industriels envisagent le marché unique européen avec optimisme. Une enquête récente effectuée auprès de 3 000 cadres du monde des affaires européen, démontre que 78 pour cent d'entre eux croient que l'achèvement du marché unique est un objectif réalisable, alors que 64 pour cent croient que sans un marché unique, les firmes européennes seront dans une position désavantageuse du point de vue compétitif face à leurs concurrents américains et japonais. En tout, 55 pour cent des répondants disent qu'un marché unique créera des possibilités de croissance pour les gammes de produits existant actuellement.

Conséquences institutionnelles de l'Europe 1992

La mise en place des dispositions législatives pour la réalisation du marché unique n'aurait pas été possible si des dispositions institutionnelles n'avaient été adoptées par les États membres notamment en matière de processus décisionnel. C'est ainsi qu'en 1987, le Conseil des ministres et les Parlements des États membres ont approuvé "l'Acte unique", qui accroît entre autres les possibilités de votes à la majorité qualifiée au sein du Conseil, mais en outre augmente les pouvoirs du Parlement qui, rappelons-le, se compose de 518 membres élus au suffrage universel dans tous les pays de la Communauté. Les dernières élections ont eu lieu du 15 au 18 juin 1989.

Lorsqu'une proposition de règlement ou de directive de la Commission est transmise au Conseil, le Parlement peut émettre un avis. La Commission et le Conseil doivent tenir compte de cet avis en modifiant la proposition en vue d'une deuxième lecture par le Parlement. Les amendements acceptés à une majorité par les deux-tiers des membres du Parlement lors de cette deuxième lecture, s'ils sont acceptés par la Commission, sont considérés comme adoptés sauf si le Conseil statue négativement à l'unanimité. Indépendamment de cette procédure, le Parlement aura à l'avenir son mot à dire en ce qui concerne les demandes d'adhésion ou en matière d'accords commerciaux avec des pays tiers. Par une majorité des voix de l'ensemble des membres du Parlement, ce dernier peut à présent rejeter des demandes ou accords de ce genre.

Que signifie l'Europe de 1992 pour le Canada?

L'Europe 1992 doit être compris dans une perspective globale de l'économie mondiale, la Communauté européenne étant déjà la plus importante entité commerciale mondiale.

La KCE représente un cinquième du commerce mondial (les É.-U. 15%, le Japon 9%).

La CE a des liens très étroits avec les pays de l'AELE (Suisse, Autriche, Islande, Finlande, Suède, Norvège) qui représentent une plus grosse part de ses échanges commerciaux par rapport à ceux entretenus avec les É.-U. et le Japon réunis.

La Communauté européenne est bien située pour tirer parti des tendances à la libéralisation dans les pays de l'Europe de l'Est.

La Communauté européenne est le deuxième plus important partenaire commercial du Canada et la deuxième plus importante source d'investissement au Canada après les États-Unis et avant le Japon.

À ce stade, toutefois, rappelons que le Canada est, pour la Communauté, le huitième plus important marché d'exportation et la dixième plus importante source de ses importations.

De plus, une caractéristique majeure du commerce entre la Communauté et le Canada tient à une structure inchangée depuis au moins une décennie. Les exportations principales du Canada vers la Communauté demeurent les produits forestiers, les minéraux et les denrées alimentaires primaires (par ex. le blé, le poisson, etc.). Par opposition, les exportations principales de la Communauté vers le Canada (outre le pétrole brut britannique) sont de l'équipement lié aux transports (voitures, avions, bateaux, trains, etc.), des machines industrielles (de toute catégorie et touchant tous les secteurs), du fer et de l'acier, des produits chimiques et des biens de consommation (par ex. boissons alcoolisées, vêtements, chaussures).

La création d'un marché unique à l'intérieur de la Communauté sera un important facteur dans l'environnement toujours changeant des relations commerciales entre la Communauté et le Canada et aura aussi une portée dans les perspectives d'un échange plus libre entre le Canada et les États-Unis. Un marché unique pourra aussi apporter de nouveaux avantages au Canada et au commerce canadien.

Même si, pour le Canada, la compétition commerciale de l'Europe peut devenir plus sensible, les compagnies canadiennes bénéficieront, au même titre que les firmes européennes, de l'abolition des entraves techniques au sein de la Communauté. Les filiales de firmes canadiennes implantées dans la Communauté profiteront du marché unique dans la même mesure que les firmes exclusivement européennes. Les exportateurs canadiens pourront développer leurs affaires

L'EUROPE DES DOUZE



dans un marché unique composé de 320 millions de consommateurs et uniformisé en matière de normes et de procédures. Ils n'auront plus à s'adapter à 12 différentes réglementations. De plus, le marché unique entraînera une plus grande consommation au sein de la Communauté, ce qui accroîtra les importations. Les sociétés canadiennes peuvent indubitablement prendre part à ce processus, mais elles devront s'installer en Europe et s'efforcer de vendre leurs produits tout comme elles le font aux États-Unis.

La dimension extérieure de 1992

Comme on pouvait s'y attendre, l'initiative européenne de créer un marché unique européen d'ici la fin de 1992 a suscité beaucoup d'attention et d'inquiétude, non seulement à l'intérieur, mais aussi à l'extérieur de la Communauté.

Certains partenaires commerciaux de la Communauté, sans aucune preuve concrète à l'appui de leurs craintes, ont exprimé leurs préoccupations face à l'achèvement du marché intérieur, croyant que celui-ci sera lié à

l'adoption de mesures destinées à exclure ou du moins pénaliser les intérêts des pays tiers.

Conscient que cette perception est fausse et dangereuse, le Conseil européen de Rhodes a clairement précisé en décembre dernier la position de la Communauté européenne en cette matière. Cette position s'appuie sur les principes suivants:

Le marché unique bénéficiera aux firmes non-européennes comme aux sociétés européennes qui n'auront plus à tenir compte des frontières nationales physiques et techniques qui doivent être abolies.

De plus, la croissance économique escomptée par la réalisation du marché intérieur aura des conséquences économiques favorables, tant pour la Communauté que pour ses partenaires commerciaux. Pour 1989, cette croissance était estimée à 3%, et les dernières données permettent déjà de prévoir une croissance de 3,25%. Ceci renforcera la position de la Communauté en tant que principale puissance commerciale du monde tout en démontrant qu'elle a le plus grand intérêt à préserver et renforcer

un système libéral multilatéral.

Le programme du marché unique n'implique nullement un affaiblissement de l'engagement de la Communauté à l'égard de ses obligations internationales.

Les engagements internationaux existants, qu'ils soient multilatéraux ou bilatéraux, seront respectés.

Pour ce qui est des secteurs où il n'existe aucun règlement multilatéral, la Communauté en se servant des pouvoirs qui lui sont conférés au niveau international, tentera de renforcer et développer le système multilatéral. Les négociations en cours dans le cadre de la Ronde de l'Uruguay fournissent l'occasion d'améliorer les accords existants et d'introduire des mesures de libéralisation dans des secteurs dépourvus, pour le moment, de règlements internationaux; nous espérons que nos partenaires commerciaux prendront eux aussi une position positive face à leurs obligations internationales.

Dans les secteurs qui ne sont pas, à ce jour, soumis à des obligations internationales, il serait prématuré pour la Communauté d'étendre automatiquement et unilatéralement aux pays tiers les avantages découlant de la libéralisation intérieure. Les pays tiers où il est raisonnable d'entrevoir une libéralisation comparable en bénéficieront dans la mesure où un équilibre réciproque et mutuel des avantages est atteint selon l'esprit du GATT.

Que signifie la réciprocité dans le secteur financier?

En ce qui concerne la présence des banques étrangères et d'autres institutions financières, presque tous les États membres de la Communauté pratiquent une politique libérale. Il y a en effet déjà un nombre considérable de banques étrangères établies dans la Communauté; selon nos données les plus récentes, 530 filiales de banques étrangères établies et un nombre important de succursales sont installées en Europe, et le rythme auquel de nouveaux permis sont accordés s'accélère continuellement. Une fois établies, les banques étrangères bénéficient du "traitement national" et, en raison de l'article 58 du Traité, bénéficient de tous les droits accordés par la loi communautaire. La Commission a confirmé récemment que cette règle s'appliquerait également à toutes les nouvelles possibilités découlant de la législation créant le marché unique.

Pourquoi une clause de réciprocité a-t-elle été introduite dans la "Seconde Directive sur les Banques" et les autres propositions de la Commission qui en découlent? L'explication comporte deux causes principales. Premièrement, la clause de réciprocité proposée remplace simplement une exigence de réciprocité qui apparaît déjà dans la législation ou dans les pratiques administratives de la plupart des États membres de la Communauté. Dès que la "Seconde Directive sur les banques" et la licence unique entreront en application, la seule façon de maintenir

- ces exigences nationales de réciprocité consistera à les réintroduire au niveau communautaire.
- La seconde raison tient à l'absence d'obligation multinationale contraignante dans les échanges de services financiers. Jusqu'à ce que de tels accords soient acquis sur une base réciproque au GATT ou ailleurs, la Commission a considéré qu'il était raisonnable de se réservé le droit de réciprocité comme une condition possible pour l'accès de nouvelles banques des pays tiers au marché unique européen. Tel qu'indiqué plus haut, ceci ne s'applique pas aux banques étrangères déjà établies dans la Communauté.
- Il ne faut pas exagérer l'effet de la réciprocité. Il ne s'agit pas d'un nouveau protectionnisme dans les services financiers. Ce n'est qu'un instrument de première utilité pour permettre à la Communauté de renforcer sa position de négociation vis-à-vis des pays tiers qui abusent de notre hospitalité en usant librement de nos marchés financiers ouverts alors qu'ils gardent les leurs fermés. En pratique, un tel instrument ne pourrait être invoqué qu'en cas d'un abus majeur de non-respect des usages internationaux, telle que la doctrine du "traitement national" de l'OCDE.
- En d'autres mots, la clause de réciprocité est une sorte de levier qui peut aider à ouvrir les marchés financiers mondiaux. Il ne s'agit certainement pas d'une clé pour nous permettre de fabriquer le nôtre.

L'Europe après 1992

- L'achèvement du marché intérieur est le fondement sur lequel viennent s'ajouter les autres politiques de la Communauté, notamment la coopération en matière de politique économique et monétaire, la cohésion économique et sociale, la recherche et le développement technologique, l'environnement, et la coordination dans le domaine de la politique étrangère.
- En bref, la réalisation du marché intérieur est non seulement la clé de la prospérité de la Communauté, mais aussi la clé de l'avenir de la Communauté. Elle est la clé qui pourra et qui devra nous ouvrir de nouvelles portes.
- Les inquiétudes exprimées par nombre de partenaires de par le monde, voulant faire croire que l'Europe procéderait à l'édification d'une "forteresse Europe", sont non-fondées puisque cela-même irait à l'encontre de toute la raison d'être du marché unique. Si nous érigions une "forteresse Europe", c'est nous Européens qui en serions les premiers prisonniers et les premières victimes.
- Même s'il existe déjà une grande activité dans les entreprises européennes pour se préparer à 1992, il est certain que nous aurons besoin d'ajustements structurels après 1992, et ce pour éviter que le marché unique n'enrichisse les régions riches et n'appauvrisse les régions les plus pauvres. À cet effet, la Commission européenne a proposé au conseil des ministres d'inclure les

objectifs sociaux dans la perspective de la création d'un marché unique. Nous sommes très conscients de cette nécessité sociale et disposons d'instruments à l'échelle de la Communauté qui nous permettront de prendre certaines mesures si elles s'avèrent nécessaires (fonds social, fonds régional, fonds agricole ainsi que des mesures particulières pour les pays méditerranéens).

Comme l'indique la presse, nombre de discussions sont en cours aux échelons politiques supérieurs de l'Europe traitant des perspectives d'une plus grande union économique et monétaire. L'achèvement d'une union économique plus étroite voudra dire la création d'une banque européenne centrale et d'une monnaie européenne commune. Cela signifiera aussi la négociation d'un nouveau traité entre tous les États membres. Il reste donc beaucoup à accomplir afin de nous préparer à l'avènement du XXI^e siècle.

Un troisième élément très important découlant de la réalisation du marché de 1992 concerne la libre circulation des personnes. Les douze gouvernements ont en effet accepté de coopérer particulièrement en ce qui touche l'entrée, la circulation, et l'installation de ressortissants de pays tiers.

Ils travaillent ensemble au contrôle du terrorisme, du crime et du trafic de stupéfiants. Les gouvernements poursuivent des travaux sur ces sujets. Comme le lecteur pourra le constater, 1992 comporte nombre de conséquences, dans tous les secteurs, pour les douze États membres.

Les derniers éléments à considérer face au marché de 1992 concernent les relations que nous devrons établir avec le reste de l'Europe. Certains pays envisagent d'adhérer à la Communauté européenne à titre de membre à part entière. La Turquie et l'Autriche ont déjà présenté une demande d'adhésion qui est à l'étude par les Institutions européennes. Nous devrons clarifier nos relations avec Malte et Chypre et aussi la Yougoslavie. Nous devons également penser à nos relations futures avec l'Europe de l'Est, surtout dans l'hypothèse où le processus de libéralisation entamé se poursuit et provoque des changements importants dans le développement économique et politique de ces pays. Si tel est le cas, alors ce ne sera plus à un marché de 320 millions d'habitants auquel nous aurons affaire, mais probablement à un marché de 500 millions d'habitants.

Pour conclure, quarante-quatre années après la fin de la Deuxième Guerre mondiale, nous traversons une période de changements majeurs en Europe. Nous envisageons actuellement le XXI^e siècle et sommes sur le seuil de développements économiques et politiques d'une portée considérable qui pourraient encore largement renforcer le rôle de l'Europe dans le monde.

*Jacques Lecomte est chef de la délégation de la Commission des Communautés européennes à Ottawa.

THE PORT OF VANCOUVER

The First 125 Years

Huge stands of virgin timber and a single water-powered mill were all that stood on the shores of Burrard Inlet when deep-sea trade began in the Port of Vancouver. In November 1864, the barque "Ellen Lewis" took on a load of lumber and fence pickets and sailed for Australia — and into the history books — marking the first export cargo ever to pass through the First Narrows.

The inlet began to thrive as masted ships arrived to transport high quality lumber to all corners of the globe. But it was not until the CPR reached the shores of the inlet in 1886, that the port came into its own as a centre for waterborne commerce.

Shortly after the first trains arrived, steam ships arrived from the Orient carrying tea, silk and passengers, destined for eastern Canada, the US and Britain, via the overland route. The trade that flourished in the harbour spread quickly to the surrounding shores, spawning a city to be named

- "Vancouver", after the British explorer who was the first to survey the inlet nearly 100 years earlier.
- The port grew into the 20th Century as a collection of private interests operating without any central administration. It continued that way until 1913, when legislation was passed by the federal parliament, creating the Port of Vancouver; and the Vancouver Harbour Commission, under whose administrative control the port would operate.
- The period that followed was one of unprecedented growth. World War I brought on shipbuilding boom. The opening of the Panama Canal presented new shipping opportunities, and the port responded. New facilities were built — docks and terminals, a dry-dock and a bridge. The viability of shipping grain in bulk was established in the early 20s, leading to a grain shipping boom and the construction of more elevators.
- In 1936, following a complete assessment of port operations nation-wide, the administration of Canada's principal ports was centralized in Ottawa under the National Harbours Board.
- The boom years following the Second World War saw the port's cargo profile expand rapidly. To meet the export needs of resource products such as coal, sulphur and potash, new specialized terminals were constructed. Oil came west from the prairies via pipeline. Refineries were built along the shores of the east end of the inlet.
- In response to growing world demand for Western Canadian coal in the late 60s, the Roberts Bank "superport" was built on 55 acres of reclaimed land within the Port's jurisdiction south of the Fraser River. The site is occupied by Westshore Terminals, which operates one of the world's most advanced coal export operations.
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VANCOUVER PORT CORPORATION

Containerization, introduced to the world by Vancouver's White Pass and Yukon Corporation in the mid-50s, quickly grew to prominence on the world shipping stage. The trend towards containerization continued through the next decade, prompting the National Harbours Board to build Vanterm in 1973 — the same year it announced the construction of Lynnterm, a major forest products and general cargo handling facility.

During the 1970s, the Port of Vancouver experienced massive growth. Total tonnage grew from less than 30 million tonnes in 1970, to almost 50 million tonnes a decade later. Coal surpassed grain as the port's number one export commodity.

In 1983, in response to calls for greater local autonomy, the administration of

- Canada's national ports was placed in the hands of a federal crown corporation — the Canada Ports Corporation. Individual "Local" Port Corporations were set up to administer the larger ports in the system — one being the Port of Vancouver. The Vancouver Port Corporation was created with a locally-appointed board of directors, and increased responsibilities — ranging from its traditional administrative role to growing demand for leadership in port development and marketing.
- By this time, an awakening Alaska Cruise trade was again attracting passenger travel to the port. The large number of travellers drawn to Vancouver as the southern terminus of the Alaska Cruise stretched existing facilities to their limits. The need for a new passenger terminal was fulfilled in EXPO

year 1986, when the Vancouver Port Corporation opened its shiny new cruise terminal in the Canada Place complex.

From its pioneer beginnings 125 years ago, the Port of Vancouver has responded to the challenges of a developing nation. Today, Canada's largest port handles everything from coal to computers, and employs almost 9,000 men and women in the daily operation of the harbour, its two-dozen terminal operations, and marine support industries.

Where huge Douglas Firs once towered over the waterfront, giant container cranes, grain elevators, and office towers today stand in their place. The Port of Vancouver has achieved the status of a full-service load centre, and North America's import/export tonnage leader and the progress continues. ♦

• *Barbara J. Duggan*



VANCOUVER PORT CORPORATION



VANCOUVER PORT CORPORATION

VANCOUVER: Port Performance Tracks Trade Trends

First half cargo statistics released by the Vancouver Port Corporation revealed a strong six-month performance by the Port of Vancouver, despite factors which have resulted in reduced tonnages in certain sectors.

To the end of June, port terminals had shipped cargo volumes of 31.8 million tonnes; down 12% from last year's record first six-months figure of 36.3 million tonnes, but ahead of 1987's first-half total of 30.8 million tonnes.

This year's tonnage decrease is largely due to lower grain volumes caused by last year's severe prairie drought, and a fertilizer pricing dispute between Morocco and India that has cut sulphur exports in half. Grain and sulphur are the port's second and third largest export commodities.

On the plus side, coal — the port's top export commodity — is 5% ahead of last year; forest product volumes are running neck-and-neck with 1988 numbers, with wood chips up 32%, lumber down 6% and pulp even; container volumes in TEUs (Twenty-foot Equivalent Units) are 4% behind last year's record-setting pace.

Potash shipments were held up by slower-than-usual price negotiations this year, but have begun to rebound and are expected to climb toward the previous year's record levels.

Francis MacNaughton, Port Manager and CEO., expressed satisfaction with the port's performance. "The port industry is monitoring global trade dynamics closely," he said. "We continue to consult with major customer sectors regarding their current needs and cargo forecasts. Overall, the system is responding very well — demonstrated by the strength of the numbers."



PORT OF VANCOUVER



PORT OF VANCOUVER

- MacNaughton said he's looking to track container figures in the second half of the year. "Our two new cranes and further design streamlining of our terminals, together with new technology on the rail lines, should keep us competitive in the second half," he said.

- The second half of the year is also expected to produce a rebound in grain volumes as port elevators begin to take delivery of 1989 crops. Prairie producers report generally favourable growing conditions and good to excellent crop prospects.

- As well, coal exports are forecast to remain strong, based on the continuing health of the Japanese and Korean steel industries, and news of a recent contract settlement at a major southeastern B.C. mine.

- In the cruise sector, this year's Vancouver-Alaska cruise season started 8 days later than the 1988 season, and as a result, the revenue-passenger count is down 5% to the end of June. However, with larger ships calling and bookings brisk, the industry is projecting another record cruise season for Vancouver in 1989.

- Cargo throughput in the Port of Vancouver is handled by some 27 specialized terminals; three-quarters of which are owned and operated by the private sector. The Vancouver Port Corporation owns five terminals.

• **Barbara J. Duggan**

PRINCE RUPERT: Share of Grain Exports Increases

Due to the prairie drought conditions last summer, Canadian grain exports fell by close to 50% during the 1988-89 crop year. This has affected all Canada's grain handling ports, but despite this significant reduction, the Port of Prince Rupert's modern and efficient terminal actually increased its market share during the period.

The Prince Rupert Port Corporation, in its annual six month review, announced that total tonnage through the port, for the first six months of 1989, fell by about 20% over the same period in 1988. "Most of this drop relates directly to reduced grain shipments" said Joe Stranan, the port's manager of marketing and planning. The report points out that other commodities also saw reductions due to several factors. Higher interest rates affected the lumber markets both in the US and abroad, reducing lumber shipments through the port. The brightest spot in the port's cargo shipments so far this year has been shipments of ore concentrate. Equity Silver Mine, located near Houston, have increased production which is a 30% increased throughput. Additionally, concentrate from Skyline Resources mine at Johnny Mountain is now moving through the port. A copper/silver mine near Barrier

- is expected to commence shipments through the port in September.
- Stranan expects that by the end of the year, the situation will have improved considerably. "During the first six months of 1988, the port was going like gangbusters with all commodities. Shipment started to fall off during the second half of the year and this carried on through the first six months of 1989, so we are comparing a very active six month period with a slower period." He commented, "there are several indications that the second half of 1989 will show considerable improvement. Certainly grain shipments will increase, as will wood-
- pulp. Increases are also anticipated in lumber, coal and specialty grains."
- The port had anticipated reduced cargo shipments during this period and, in fact, actual shipments were only about 4% below the forecasts made last December.
- The following chart from the port's six month review provides a more detailed breakdown of the quantities shipped during the period January 1st to June 30th, 1989.
- **J.A. Stranan**
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COMMODITY	JAN/JUNE		VARIANCE
	1988	1989	
Lumber (tonnes)	473,172	378,102	-16 %
Logs (tonnes)	107,533	48,838	-54.6%
Spec. Grains	122,600	54,281	-55.7%
PRG Grain	2,102,782	1,338,053	-36.4%
Coal	3,455,786	3,043,632	-11.0%
Concentrate	26,130	34,123	+30.6%
Woodpulp	220,993	190,462	-13.8%
Total	6,508,996	5,087,491	-21.8%
Tonnage forecasted for first six month period of 1989 = 5,290,500 variance = -3.8%			

ISO/TC 104 Equipment Standards Update

Accepted at the London meeting of ISO/TC 104, between June 21 to 23, 1989, was the standard report (N665) by Working Group 3 (WG3). This subgroup of technical Committee 104, is responsible for coding and marking. Also as a result of the meeting, the working group was upgraded to a subcommittee (SC4) and shall:

- (i) merge ISO 830 (Freight containers — Terminology) with ISO 9897-1 (Freight containers-Container Equipment data exchange) resulting in one source for terminology and definitions,
- (ii) create a generic-type code and an external code for container width, height and length,

- (iii) be responsible for informing TC104 and others of any code changes,
- (iv) initiate two working groups, namely
 - a) electronic data processing (EDI), and
 - b) visual marking and coding,
- (v) be required to produce, by February 1990, a title, statement of scope, working group structure, and program of work, and
- (vi) be available to ensure compatibility when considering and evaluating future technologies
- WG3's Automatic Equipment Identification (AEI) system report (N677) was promoted to a DIS (Draft International Standard). The AEI system is responsible for the automatic identification of freight containers and the electronic transfer of the identity of the container and permanent related information to third parties in a standard format. The use of Automatic Equipment Identification (AEI) is not mandatory, but encouraged to optimize the use of equipment control systems.
- SC4's country membership includes Sweden, Norway, UK, Japan, Federal Republic of Germany, DDR, Italy, France, Denmark, USA and Australia. The next meeting of TC104 is scheduled to be held in Seoul, Korea, in June, 1991.
- **Dan MacKenzie**

Un an déjà

par Ginette Morin*

Nouvelle réforme, nouveaux espoirs

A la fin de 1987, l'industrie canadienne des transports est entrée dans une nouvelle ère de réglementation économique avec l'adoption de trois nouvelles lois fédérales:

- (a) *Loi nationale de 1987 sur les transports*;
- (b) *Loi dérogatoire de 1987 sur les conférences maritimes*; et
- (c) *Loi de 1987 sur les transports routiers*.

Ces textes législatifs ont pour but de reconnaître l'importance des services de transport dans l'amélioration de la position concurrentielle du Canada vis-à-vis l'économie mondiale et leur rôle dans la croissance économique de ses régions.

Il est important de noter que les observations contenues dans cet article ont trait surtout au transport ferroviaire et par eau. Vu l'intérêt qu'elle pourrait avoir pour les lecteurs de *Portus*, la *Loi dérogatoire de 1987 sur les conférences maritimes*, qui régit les pratiques des conférences maritimes oeuvrant au Canada, y est également discutée plus en détail.

Une procédure d'examen

Le 1^{er} janvier 1988, le nouvel Office national des transports du Canada (ci-après l'Office) remplaçait la Commission canadienne des transports et se voyait confier la responsabilité de la réglementation fédérale du transport canadien. L'Office se voyait aussi confier le mandat d'examiner annuellement, pendant quatre ans, les opérations de cette nouvelle réglementation. En vertu de ce mandat d'examen annuel, l'Office a procédé à une collecte de données et d'informations auprès d'un vaste éventail de sources d'information des secteurs public et privé, complétées par un programme détaillé d'enquêtes. Pour les expéditeurs, six cent questionnaires furent remplis et reçus à l'Office, permettant «de constituer une banque d'information sur les expéditeurs provenant de tous les grands secteurs industriels, primaires et manufacturiers, représentant plus de 10 000 établissements de production, de distribution ou de détail». En ce qui concerne le transport maritime, la très grande majorité des conférences maritimes desservant les grandes voies commerciales canadiennes ont participé à l'enquête portant sur des questions ayant rapport à la *Loi dérogatoire de 1987 sur les conférences maritimes*.

Le 31 mai 1989, en vertu de la *Loi nationale de 1987 sur les transports*, le président de l'Office, Erik Neilsen, a présenté son pre-

mier rapport annuel au ministre des Transports, Benoît Bouchard. Dans ce document, intitulé *Examen annuel 1988*, l'Office fait mention des principales activités durant l'année 1988 dans l'industrie canadienne des transports et tire un nombre de conclusions sur les répercussions de la nouvelle réforme législative sur cette industrie. Il s'agit d'un rapport bien présenté et concis. Il touche à un grand nombre de sujets pertinents, notamment les services de transport ferroviaires, aériens, de camionnage, de transport par eau, ainsi que ceux offerts aux personnes handicapées. De plus, on y trouve des chapitres consacrés à l'économie canadienne en 1988, à la sécurité, à l'emploi dans le secteur des transports et à la première année de l'Office.

Suite à ce premier examen de la mise en œuvre de la nouvelle législation, l'Office conclut «que la première année de réforme de la réglementation a eu des effets positifs sur la performance et le potentiel de l'industrie. L'orientation générale des modifications à la structure, au fonctionnement et à la mise en marché des services de transport permet de penser que la réforme, bénéficiant d'une économie canadienne vigoureuse, a été bien accueillie.» Le rapport fait aussi état d'observations générales qui ont particulièrement marqué l'année 1988.

Intensification de la concurrence

On a pu observer l'évolution d'un environnement plus compétitif dans le secteur du transport ferroviaire, grâce avant tout à

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Un taux d'utilisation plus élevé des services intermodaux, en particulier la combinaison rail-route, et une présence plus importante des sociétés de camionnage ont contribué à une concurrence plus intense.

• l'établissement de contrats confidentiels (qui ont connu un important succès). D'autres dispositions, bien que moins utilisées ou moins heureuses, ont néanmoins influé sur

• ce nouvel environnement compétitif; il s'agit de de l'accès à des services concurrentiels, à partir de prix de lignes concurrentiels et de la modification des limites de l'interconnexion, les nouvelles procédures d'abandon des lignes de chemin de fer et de règlement des différends sur les tarifs et les services. Un taux d'utilisation plus élevé des services intermodaux, en particulier la combinaison rail-route, et une présence plus importante des sociétés de camionnage ont aussi contribué à une concurrence plus intense. En ce qui concerne le transport maritime international de ligne, le rapport indique que la *Loi dérogatoire de 1987 sur les conférences maritimes* a eu peu d'incidence sur les activités dans ce secteur.

Rationalisation pour une plus grande efficacité

L'Office rapporte que les deux sociétés ferroviaires, le Canadien National et le Canadien Pacifique, ont procédé à une restructuration de leurs activités en 1988. Ces modifications devraient les aider à améliorer leurs résultats d'exploitation. Les transporteurs maritimes, de leur côté, ont introduit de l'équipement neuf, modifié leurs échéanciers d'appareillage, leurs ports d'escale et leurs ententes d'affrètement, et inauguré ou abandonné certains services. Beaucoup ont mis en service des navires de plus grande capacité.

Une des enquêtes menées par l'Office a permis de noter que les expéditeurs ont remarqué une amélioration de la qualité des services ferroviaires en 1988. De plus, les transporteurs maritimes, desservant le Canada, ont introduit du nouvel équipement et modifié leurs horaires, ainsi que leurs ententes de nolisement d'espace.

Loi dérogatoire de 1987 sur les conférences maritimes

Les conférences maritimes internationales de ligne oeuvrant au Canada ont été rendues légales le 1^{er} avril 1971 lors de l'adoption de la première *Loi dérogatoire sur les conférences maritimes*. Cette loi a été reconduite avec modifications en 1974 jusqu'en 1979. Suite à une étude approfondie réalisée par le Gouvernement du Canada (ministère des Transports) au début des années 1980, la *Loi dérogatoire de 1987 sur les conférences maritimes* a été adoptée pour remplacer celle de 1979 et est entrée en vigueur le 17 décembre 1987. Cette nouvelle loi a pour objectif de sous-traire certaines pratiques des conférences maritimes desservant le Canada à l'application de la *Loi sur la concurrence*.

Le rapport de l'Office offre un résumé des nouvelles dispositions de la nouvelle loi, dont voici un extrait:

« . . . la nouvelle loi contient un certain nombre de nouvelles dispositions destinées à préciser et à limiter les dérogations consenties aux conférences, à établir un meilleur équilibre entre les intérêts des expéditeurs canadiens et ceux des conférences maritimes, par souci d'égalité, et à élargir les champs de concurrence tarifaire entre les transporteurs maritimes membres des conférences.

Pour pouvoir être exemptée de la législation anti-coalition, la conférence est tenue de déposer son accord de base auprès de l'Office. Toutefois, la dérogation consentie ne l'autorise pas à négocier des taux de fret avec des transporteurs intérieurs, ni à établir des prix inférieurs aux coûts. Par ailleurs, la *Loi dérogatoire de 1987 sur les conférences maritimes* assujettit aux dispositions de la *Loi sur la concurrence* les accords entre lignes membres et non membres de conférences qui en étaient soustraits auparavant.

L'une des innovations majeures de la nouvelle législation concerne l'octroi aux lignes membres de conférences du droit inaliénable de prendre des mesures distinctes (*independent action*).

La loi autorise également les conférences et les lignes membres à utiliser des contrats confidentiels selon lesquels l'expéditeur s'engage à fournir une quantité minimale de marchandises pendant une période déterminée en échange soit d'un tarif spécial, soit d'un niveau de service par la conférence ou les deux. En revanche, les conférences ont obtenu le droit d'établir les conditions régissant l'utilisation de ces contrats.

En outre, en vertu de la nouvelle loi, les contrats d'exclusivité n'obligent plus l'expéditeur à réservé la totalité de ses marchandises au même transporteur.

Incomprise ou inefficace?

L'enquête menée par l'Office auprès des expéditeurs et des transitaires internationaux a démontré que «la majorité des répondants connaissent mal les dispositions et les objectifs de la nouvelle législation sur les conférences maritimes». L'incidence de cette loi sur le trafic international de ligne au Canada en 1988 semble négligeable.

Selon le rapport de l'Office, il est clair que «les effets attendus . . . ne se sont pas matérialisés». C'est ce qu'ont démontré les résultats de l'enquête menée auprès des expéditeurs, des transitaires et des conférences desservant le Canada. Cette constatation concerne plus particulièrement les nouveaux mécanismes mis en place par la loi. Par exemple, les contrats d'exclusivité limitée n'ont pas connu le même succès au Canada qu'aux États-Unis, où des milliers de contrats sont en vigueur tandis qu'au Canada seulement six ont été déposés auprès de l'Office en 1988. Quant aux mesures distinctes, l'Office rapporte que «rien ne per-

- met de penser que ce droit prévu par la loi ait réussi à freiner vraiment les hausses tarifaires générales imposées aux expéditeurs canadiens par les conférences maritimes en 1988». Selon les données disponibles, sept conférences seulement ont pris des mesures distinctes au cours de 1988.

L'une des innovations majeures de la nouvelle législation concerne l'octroi aux lignes membres de conférences du droit inaliénable de prendre des mesures distinctes.

- L'Office conclut que «des changements observés en 1988 au chapitre de la structure de l'industrie, des niveaux de trafic, des niveaux de service et des taux de fret sont davantage imputables au jeu des forces du marché sur les différentes routes commerciales, aux politiques des conférences maritimes, à la poursuite des mesures de rationalisation des services maritimes et aux décisions prises à l'étranger sur le transport maritime de ligne».

Examens annuels à venir

- Il est important de noter qu'en vertu de la *Loi nationale de 1987 sur les transports*, l'Office devra procéder à trois autres examens annuels (1989-1991) de la mise en œuvre de la nouvelle législation sur les transports et présenter les résultats de ses examens au ministre des Transports à chaque année. Un examen exhaustif sera entrepris en 1992.
- Les examens annuels doivent porter sur l'incidence nationale et régionale de toute la législation relative à la réglementation des transports. La loi exige que les paramètres suivants soient évalués:
 - l'évolution des prix et des niveaux de service offerts aux expéditeurs et aux voyageurs;
 - l'évolution de la structure, du rendement et des niveaux d'emploi de l'industrie des transports;
 - l'efficacité de l'Office dans le traitement des plaintes, des demandes et autres requêtes qui lui sont présentées;

- (d) l'incidence des «prix de ligne concurrentiels» sur les sociétés ferroviaires; et
- (e) l'abandon de lignes de chemin de fer.

Le ministre des Transports peut également soumettre pour étude toute autre question à l'Office. Par exemple, dans le cadre de l'examen de 1988, le Ministre a demandé que soit inclus un examen des critères pouvant être utilisés dans l'identification des réseaux ferroviaires jugés essentiels au développement économique de n'importe quelle région donnée au Canada.

En 1992 également, la *Loi dérogatoire de 1987 sur les conférences maritimes* sera sujette à un ré-examen complet.

Conclusion

Dans le cadre de la nouvelle législation en matière de services de transport (c'est-à-dire les trois lois mentionnées en début d'article), le gouvernement du Canada cherche à s'assurer que la réforme en place favorise un environnement plus dynamique et plus compétitif et prend en considération les intérêts du public. Par conséquent, il est impératif que les usagers de ces services ainsi que tout autre partie intéressée soient vigilants et se servent de la procédure d'examen mise à leur disposition en vertu des nouvelles lois pour assurer qu'effectivement un réseau de transport canadien répondant aux besoins des expéditeurs et des voyageurs et contribuant à l'expansion économique de toutes les régions du pays soit mis en place et sauvegardé.

Comment peut-on s'y prendre pour aider au maximum le gouvernement dans son évaluation de l'impact de sa réforme? En informant le plus souvent possible les responsables de l'Office de ses observations et de ses préoccupations vis-à-vis la législation en vigueur et ses répercussions sur le réseau de transport existant. Une personne ou un organisme peut aussi déposer une plainte auprès de l'Office ou demander à celui-ci de mener une enquête lorsqu'il y a motif de croire qu'un ou plusieurs aspects des services de transport risquent de porter préjudice à l'intérêt du public.

On peut se procurer des copies de *L'Examen annuel 1988* en adressant directement sa demande à:

M. Roger Roy
Directeur
Direction du Suivi de l'industrie et de l'analyse
Office national des transports du Canada
15, rue Eddy
OTTAWA (Ontario)
K1A 0N9
ou
au numéro (819) 953-5770

*Ginette Morin est gestionnaire, Recherche en marketing, à la Société canadienne des ports, Ottawa.

VISIONS FOR WORLD TRANSPORT

in the Next 50 Years

by John E. Allen*

1. INTRODUCTION

In one sense, attempting to look ahead 50 years is so plagued by uncertainties that the exercise seems to be almost worthless.¹ However, many of today's vehicles and their derivatives, ports, trading patterns and procedures will persist at least that far into the future. My key task is to sift out the possible innovative changes from the inevitable, but slower, progress of the existing infrastructures. The exciting prospect in trying to predict so far ahead is the opportunity to identify some really new ideas² that clearly could not come to fruition in a shorter time span of, say, 15 or 25 years.³

2. BACKGROUND

Transport is Civilization, of course.⁴ So I assume that civilization will still be in place in 2039 AD, and, in spite of various setbacks and disasters at different scales, there will have been a kind of steady progress. Transport depends on population, its distribution, the metabolism of trade, also on the technology available and the existence of successful innovations. The steady growth of urbanization must surely have abated in 50 years and redistribution of trade flows will respond to such events as the Channel and other major tunnels and the growth of activity in the Pacific Region. Will the Third World generate a new kind of trade, based on more local than the centralized European pattern? Even a small increase in activity would give substantial traffic growth because of the huge areas involved. Whatever the world scene, transport will make a paramount contribution and the opportunities for new systems, at many levels, will be great.

3. ON LOOKING AHEAD

I come from the aircraft business, and it is customary to project designs that are expected to last several decades before becoming obsolete. In designing the Hawk Strike/Trainer for the R.A.F., we optimized for life-cycle cost over 15 years, and the Tornado, with many mid-life updates, will last well into the 21st Century. It follows from this that the project designers are forced to look ahead in the attempt to discover new factors, not yet in being, which could have a decisive impact on product longevity — which is essential for a return on investment in the new venture.

- The Concorde provides a classic example of the world changing markedly during the construction times of the project. Although less than 20 were built, it is interesting to note that they are now excellent revenue earners on routes not envisaged in the original planning.
- The book *The Future of Aeronautics*, which I organized for the Royal Aeronautical Society in 1970, looked ahead up to 100 years in Aerospace.⁵ This celebrated the first

Will the Third World generate a new kind of trade, based on more local than the centralized European pattern?

century of the Society and was published at a time when future prediction was receiving considerable attention.^{6,7,8} There have been other (non-fiction) books about the next 100 years⁹ and even the next million years,¹⁰ but most of the literature "of the period" come in the category of Science Fiction.¹¹

I suspect that the crux of the matter is in deciding where to draw the line between reasonable professional project initiatives and way-out, but more startling, fictional features. Perhaps the reason that I was asked to deliver this lecture was that I have been in the Aircraft game for 50 years and have not only managed many (successful) projects and have also published scores of papers on future themes without losing friends on the way! I shall try to show the methods I have developed to do this, which is fundamentally a balance between two very different perspectives: the micro-scene and the macro-scene.^{12,13}

The greatest challenge I have faced in depicting the future was a lecture at the Royal Institution in London last year when I appeared as an aircraft designer of 2038 AD and lectured on "Aerospace 2038: Achievements and Challenges".¹⁴ I then developed it further as the Brunel Lecture at Bristol University earlier this year.

4. ENERGY

I have found that the most powerful indicators of the metabolism of Western-style civilization are the long-term energy patterns of growth and substitution, perhaps best defined in the World Energy Study of the International Institute for Applied System Analysis in Austria.^{15,16}

Volume of transport traffic places approximately a 25 percent demand on a nation's energy budget and hence must respond to the changes in world energy supply and cost.

From data of the I.I.A.S.A. study, it is possible to give an estimate of world energy supply in 50 year's time:

WORLD ENERGY

Year	2000	2040	2050
Population (billions)	5	8.3	9
Total Supply BTCE*	12.8	43.5	52.1
Sector	%	%	%
Coal	12	2	1
Oil	34	7	4
Gas	49	67	60
Nuclear	5	22	31
Fusion	—	2	3

*BTCE = Billion Tons of Coal Equivalent.

The 200-year statistics on which this projection is based show very powerful trends which were not upset by major World Wars or even the Russian Revolution. The basic feature underlying this trend is a 2.3 percent per annum growth of world energy use.

The most dramatic factor is the marked percentage reduction of oil supply between 2000 and 2040, which should come as no surprise, but I wonder how many in senior positions in transport undertakings or in government planning departments have studied the potential effect of this on future operations and what might be done about it? Oil is the major transport fuel, for very good reasons of power-weight ratio, and the convenience of an acceptably safe, energetic liquid. Railways can use the increasing amounts of electricity, but I see no way in which road or air can, at least directly. So interest in liquid hydrogen must increase, and also synthetic kerosene from shale and new means of extraction from tar sands. But eventually Mankind must start to face up to the extinction of fossil fuel supplies, on

which the whole of civilization has depended for many centuries. The gigantic upheaval implied by the coming of this new era in human affairs can be met by steps towards invariant world transport to maintain our traditional momentum, of which transport will continue to be a vital element.

No lecture in 1989 would be complete without some reference to pollution attributable to transport. Fossil fuel burning is calculated to liberate 24 billion tons of CO₂ into the atmosphere in 1990, growing to an estimated 53 billion tons in 2050. Most of this comes from the vast increase in natural gas consumption, as shown in the previous table. An ingenious means of "Solving the CO₂ Problem Without Tears" has recently been published.¹⁷ The proposed solution is to steam reform the natural gas (CH₄) with nuclear heat into H₂ and CO₂ which is then pumped into empty gas and oil wells and out of the atmosphere. The hydrogen is 30 percent more energetic than the natural gas and burns only to water vapour. This may be arguable, but at least it is a creative attempt to look ahead and meet known environmental problems with engineering solutions.

5. AGENDA FOR FUTURE TRANSPORT

The future will result from the interplay of several forces, two of which are: (i) potential innovations and (ii) infrastructure and financial restraints. I have found it more helpful to separate these two rather than attempt to give ultimate judgements. This is a more "fuzzy" approach — but then so is the future. Key issues are:

- Traffic and its control
- Substitutions; e.g., rail — road — air
- Saturations; e.g., world shipping & airliner fleets
- Interrelation of pax and freight
- Vehicles vs infrastructure

5.1 Air

My projections for civil air traffic are in the table. They are based on many published data^{18,19} and I have had to guess the timing of the introduction of new classes of aircraft.

CIVIL AIR TRAFFIC

All World

Revenue Passenger KM (Billions)

Year	Conventional	Laminar/Udf	Supersonic	Total
1980	1300	—	—	1300
2000	3100	300	—	3400
2010	3600	1200	200	5000
2025	3100	4200	1100	8400
2038	1800	5500	3500	10800

(Supersonic includes Hypersonic, commencing in 2020)

- The aeronautical menu includes:
 - Low drag flight
 - Super- and Hyper-sonic transport²⁰
 - Liquid hydrogen fuel
 - ATC and congestion
 - Segregation: pax, baggage, freight
 - Offshore and freight airports
 - City-center flight
 - Personal aircraft
 - Airships
 - Flying Boats (especially in the Pacific area)
 - Very large freight aircraft

5.2 RAIL

- Maglev
- Undergrounds
- HSGT — US & Japan
- Vacuum/gravity systems
- Better braking performance
- Reduced headway systems
- Autofreight

5.3 ROAD

- New systems
- Hydrogen vehicles
- Auto-manifests
- City congestions
- ARISE/RTI — fully exploited IT systems
- EUROADS^{21,22}

5.4 TUNNELS & BRIDGES²³

- Channel
- Sicily

5.5 SEA

- Ramwings, Mediterranean
- Ramwings, Transocean
- SWATH
- Hovercraft

5.6 SPACE

- Communications
- Power in orbit
- Airbreathing spacecraft
- Tourism

5.7 INTEGRATION

- Vehicle/infrastructures
- City design, Dynapolis, Hybrids
- All-air freight
- Autofreight
- Intermodal initiatives
- Not all these items are directly freight-relevant, but all may influence transport efficacy, and, since freight is ubiquitous, on freight too.

6. NEW WORLD THEMES

- PIPELINES, for fluids, gases and commodities, and international water supply
- TRANSPORT SAFETY REGULATIONS
- HEROIC AVIATION — neither military nor civil
 - Aerial firefighter/bomber
 - Aerial disease control
 - Economic recovery of deserts²⁷
 - Disaster relief
 - Planetary ecological protection

- INTERNATIONAL WATER TRAFFIC
 - South American Continental Waterway
- MAN-MADE ISLAND²⁸
 - Cities
 - Airports
 - Ports
 - Waste and energy islands
 - Leisure islands
- TECHNOLOGY
 - Materials
 - Bio-engineering
 - Genetic engineering
 - Non-cartesian construction

Now, although some of these are obviously transport-related, others are not. The point of including them in the list is that they may bring about new human activities, which, by being fostered by one particular nation, may increase its wealth and influence and hence alter trade and traffic patterns. One needs to keep a close watch for weak signals that foretell some dramatic change in some aspect of civilization.

7. PUTTING IT TOGETHER

7.1 NATURE OF INNOVATION

Whether an innovation succeeds will depend on the skill of its inventor in engineering a project that is effective, reliable and economic. It must match or encourage the market. It should also be capable of development to later generations. It must attract adequate funding as it proceeds. It must also not be before or after its time. Once these are in place, lo and behold, a new transport system is born! Easy to say, but very difficult to manage; and as the world becomes more saturated with old systems that refuse to be replaced, and masses of technology offering bewildering ranges of choice, the task is unlikely to get any easier. I next want to list the opposing factors likely to be important in the next 50 years.¹³

7.2 ENVIRONMENTAL CONFLICTS

We are now well into the period of designing for the environment; but there is still a long way to go. We need much quieter systems — certainly less noisy prime movers — less interference with living communities and more perceived safety of the carriage of hazardous materials. Many of these can be improved in the design stage of replacement systems, but some require the invention of totally new approaches. Others seem inherently built into the fabric of society and will be very difficult to eradicate. Many of these features seem to imply greater costs to the operator, who has enough trouble to satisfy tough financial criteria anyway; substantial research and fresh thinking must be applied to these problems on a world scale to gain a new balance of economics with environmental improvement.



7.3 BALANCING RISK & INNOVATION

There is now a history of conflict between innovation and the status quo.²⁹ Today, it is lead in petrol and whooping cough vaccine: yesterday, it was steam railways and combine harvesters.³⁰ Tomorrow, it may be genetic engineering and satellite television. We need better fora in which these issues can be discussed in a professional and progressive way.³¹

7.4 FUTURE POSSIBLE

In bringing together the two elements of innovation and restraint, I have collected together examples of what I think are possible and those I think are unlikely. There is, of course, an incredible number of candidate systems for the future, but in a Darwinian manner, only the fittest will survive. Extending the analogy, the attempts which do not succeed could be seen as mutations.

My list is:

- * Expansion of city-center flight
- * Linked with hypersonic world air routes
- * Solar powered flight
- * Animal-like systems

7.5 FUTURE UNLIKELY

Again I have selected some professionally-published projects³² which I consider to be unfeasible, in spite of their obviously-innovative nature:

- * Inertia-powered aircraft
- * Unobtainium!
- * Fusion power for aircraft
- * Laser-powered airship-seaplane
- * Starship Enterprise
- * Fifth force
- * Anti-matter

8. CONCLUSIONS

Over the next 50 years, I believe the following will be important for transport in general, and in some instances for freight in particular.

- * Continuing, but slower growth of traffic.
- * Dedicated freight aircraft.
- * IT applied extensively to road traffic.
- * Major efforts to circumvent fossil fuel shortages and price increase.
- * All-freight airports
- * Offshore cities, ports and airports.
- * Limited introduction of airships and ramwings. ☺

*Professor John E. Allen teaches at the College of Aeronautics, Cranfield, U.K. This article is based on a speech delivered at ICHCA 19th Biennial Conference, Stockholm, Sweden, on June 2, 1989, and has been reproduced with permission.

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CHINA: *Business as Usual*

by Ginette Morin*

Editor's Note:

Recent developments in the People's Republic of China have raised many questions with respect to our business relations with the PRC. This article puts forward a possible course of action for Canadian businesses. It should be noted, however, that the views expressed in this article are those of the author and do not represent Ports Canada's or those of its management or Boards of Directors.

The purpose of this article is to provide an overview of the evolution of the People's Republic of China since 1978, when the "Open Door Policy" was adopted. Moreover, it seems timely to look at the reasons behind the dissatisfaction among the younger generation and the reasons for their many supporters. It is also important to focus on how the recent events could accelerate negotiation processes for foreign investors. It is hoped that the views expressed will bring some insight into the situation and encourage Canadian businesses to maintain their plans to invest in China.

The New China

Since the birth of the People's Republic of China (also called the New China) in 1949, the Chinese government has invested a lot of efforts in the improvement of China's foreign relations and trade, which have become an important part of its national economy. More recently, in 1978, with the inauguration of an "organized" policy (China's open door on the world) and the reform of the domestic economy, China's exports and imports have flourished, becoming a strong bridge between China and other countries. Significant growth and prosperity were experienced in the following categories:

- (a) the development of production and construction as a whole;
- (b) an acceleration in economic development; and
- (c) an increased capacity for self-reliance.

The prosperity made up for the serious setbacks in China's national economy, which occurred from the late 1950s to about 1978. These difficulties ranged from the deterioration in Sino-Soviet relations to natural disasters and, later, the "Cultural Revolution".

In 1978, China introduced new reforms which, in particular, comprised of the establishment of the Ministry of Foreign Economic Relations and Trade (MOFERT), the decentralization of foreign trade management, changes to the planning and financial systems, flexibility in the economic regulation of trade and the encouragement of



horizontal economic integration. Other measures were progressively introduced to ensure a greater autonomy of enterprises, to encourage more foreign investments and, most importantly, to balance foreign exchange income and expenditures.

These reforms did not only allow China to enjoy an expansion in its foreign trade and diplomatic relations. The living conditions in China, which had not progressed since World War II, began to improve and the population got a first glance at the outside world. It did not take long before the Chinese realized how far behind they were in comparison to others, like Europeans and North Americans.

- As the living conditions in China improved, the rate of inflation increased, causing a halt in the general development of the world's most populated nation, particularly during the last two to three years. The people of China generally experienced a setback in their buying power, thereby becoming dissatisfied with the pace at which their living standards were progressing. The Chinese feel that the gap with the West remains too great and are unable to overcome it. Still today, there are also internal discrepancies. For example, a bureaucrat may earn about four times less than a farmer or shopkeeper.

The people of China want political reforms and a truly open door policy. Furthermore, the protesters want freedom of press, the right to form associations independently of the government and the end to corruption. At the moment, they fear for their development. During the peaceful demonstrations at Tian'anmen Square in May and June, it was noticed that most adults living in Beijing were student supporters. Back in 1986 when demonstrations were organized, most Chinese observed a notice issued by the government discouraging them to join the protesters. This year, the notice was not obeyed to the same degree and observers have arrived at over one million the unofficial count of adult student supporters.

Canadian Government Retaliation

On June 5, 1989, the House of Commons adopted the following measures in protest against the events in China the previous day:

- (a) suspended five aid contracts;
- (b) suspended Sino-Canadian discussions on nuclear co-operation;
- (c) postponed all high-level visits to China and Canada;
- (d) cancelled military discussions and export of military equipment; and
- (e) extended, upon request, visas to Chinese students in Canada.

If maintained, will all these measures, or a combination of them, help China evolve towards a democratic society; or could they result in a setback for those who are striving for a better life in a society that still remains on the fringe of democratic rule?

The Government of Canada has since made it clear that it must try to avoid measures that would push China towards isolation. In view of this, the following criteria were developed to reflect the new reality in China:

- (a) the existing links forged by government, industry and academics over the past decade should be preserved to the extent possible;
- (b) new initiatives in the relationship should focus on people-to-people exchanges; and
- (c) programs which benefit or lend prestige to the current hardline policies of the Chinese government, most particularly the military or state propaganda apparatus, should be avoided.

Business Opportunities

What kind of repercussions will the catastrophe on June 4th have on the "Open Door Policy"? The real question confronting Canadian businesses is whether there are still business opportunities in China. Many are advising to adopt the "sit back and wait" attitude, because they feel that the present leadership will hold back development and slow down foreign trade for at

- least one year.
- However, Chairman Deng Xiaoping stated recently that China has not gone far enough in opening its border to the outside world and that China will continue to abide by its "Open Door Policy". This statement was published in the *China Daily*, China's national English language newspaper, a few days following the catastrophe at Tian'anmen Square.
- China's foreign trade policy has not changed as far as investments and joint ventures are concerned. The events at Tian'anmen Square are the result of a generational conflict rather than an ideological problem. If there are setbacks from the student protest, they should be only temporary. The Chinese leaders are aware that they have no alternative but to maintain and continue to implement the "Open Door Policy", if they are to remain in power. The younger generation and its many supporters would not accept returning to the pre-1978 lifestyle.
- In this context, the leaders will be putting the emphasis on capital industry and agriculture. Regarding the capital industry, it calls for attention to the supply of raw material, transportation and energy. There should be more investment in these areas for the next 10 to 20 years, even if it involves heavy debt. In their view, they should work for more electricity, more railway lines, public roads and shipping facilities. As for the steel industry, they are proposing to improve their existing facilities to reduce the amount of steel imports.

Conclusion

The Chinese government is not monolithic. There are, on the one hand, the political leaders and, on the other, the public administration. Regionalism or the decentralization of certain administrative functions since 1978 must also be taken into account. The Chinese bureaucrats, many of them from Beijing and supporters of more reforms, are still in place. These bureaucrats are also the ones who implement the foreign trade policy and negotiate business deals with foreign investors. It is likely that these same bureaucrats will facilitate processes for the latter by reducing the amount of red tape which has existed over the last decade and has been a deterrent for many investors.

In view of this new approach, Canadian businesses that have already established contacts in China should maintain them. If China is to become a truly open market, then it is by continually reminding its officials of our interest in trading with them and of the high quality of our products and services, that it may one day offer the market opportunities Western countries have been hoping for. *

*Ginette Morin is Manager, Market Studies, Canada Ports Corporation, Ottawa.

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OF FORESTS . . . AND TREES

By Hugh Quigley*

Canada exports about 14 million tons of forest products annually, about 65 percent in pulp, newsprint, and paper products. Land transportation of forest products is as highly developed as it can get. Seaborne transport is another matter. The Achilles heel of the transportation system is at dockside, and there is not much hope for improvement.

Jakko Ebeling of Helsinki, Finland, addressed the problem in a presentation to the 19th biennial conference of International Cargo Handling Coordination Association in Stockholm. Ebeling is a senior consultant with Jakko Poyry OY of Finland. His observations are based mainly on experience in Northern Europe.

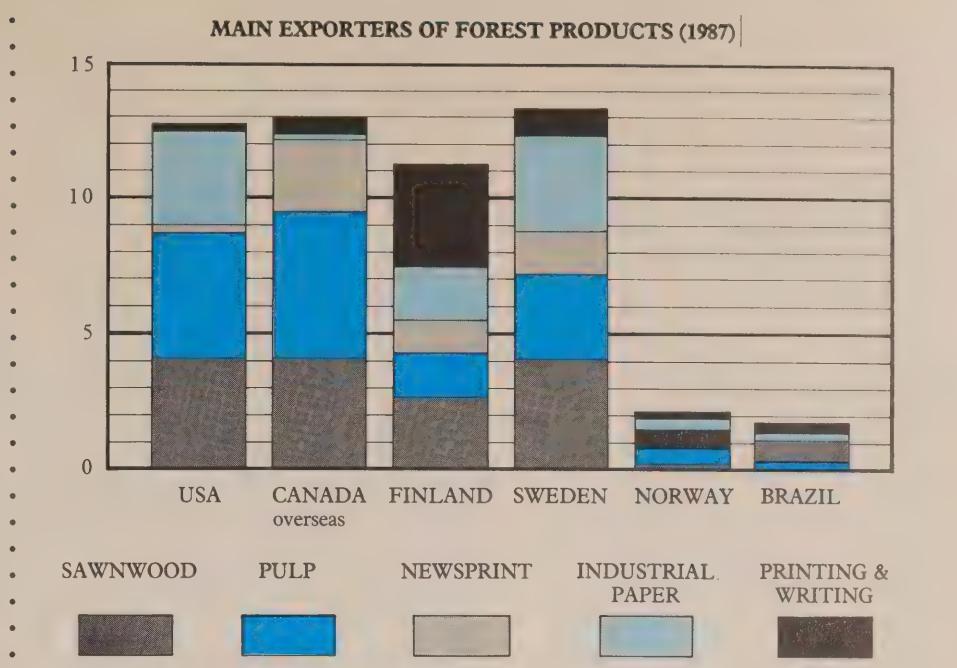
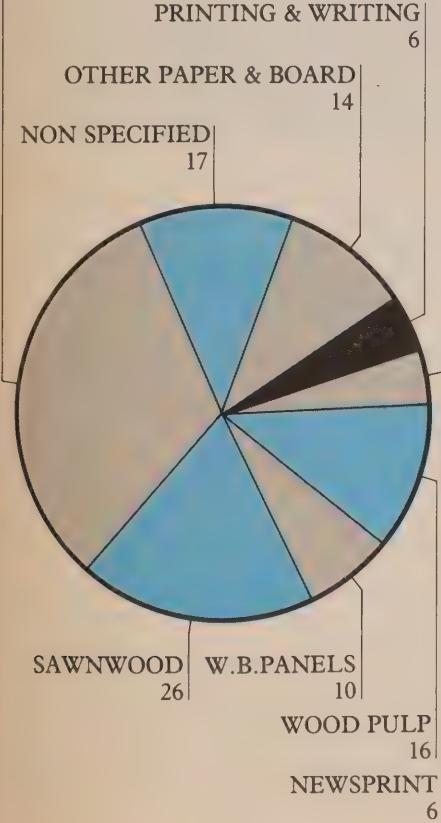
"The possibility for further improvement in this transport mode, by increased productivity in vessels or in loading, is limited," said Ebeling. "Stevedoring in harbour is problematic. Work with forest products has to be done at the time the ship is in harbour. Very little can be done in advance except in containerized transport."

SEABORNE TRADE OF FOREST PRODUCTS

TOTAL 1986 140 Million tons

IND. ROUNDWOOD

45



This leads to peaks in demand. Costs increase for work done as a result of idle time between ships because most stevedores are actually on annual salary one way or another. The result is relatively low productivity with little chance for improvement.

There are vessels specialized for the paper trade with sidegates only or a combination of sidegates and ramps. Vessels with side gates only are for forest products only, mainly paper in reels. Combined vessels with sidegates and ramps can be used for more complex trades.

A new series of vessels represents innovative thinking in the matter of transporting forest products. These are relatively small (about 4000 deadweight tons) fitted with sidegates and ramps. The aim is to turn the vessel around in one day, maximum of two shifts, increasing the number of annual trips. Another reason for smaller vessels is that they require a smaller crew than a larger vessel with similar technical standards.

"How to solve the problems of terminal operations, the loading and unloading of vessels, increases in importance," said Ebeling. "At present about 70 percent of these costs are labor related. This means that potential for savings is minimal and that costs are likely to increase with ever-increasing pace."

One answer is the use of containers, trailers, or any similar bodies; however, there are problems. Truck-axle loads and maximum weights limit the amount of cargo allowed in a 40-foot container. A standard container cannot be filled to shipborne

- maximum because of road restrictions.
- Where paper is traded, traffic is heavily unidirectional and containers must return empty, increasing costs for both ship and truck. There seems little hope of a major technological breakthrough, so efforts to increase productivity will have to concentrate on stevedoring procedures.
- "How to develop productivity in stevedoring work is always asked when transport systems of the 1990s are discussed," said Ebeling. "The following scenario seems logical."
 - There will be increased use of different containers, flats and other cargo systems.
 - The winners will be those systems which allow flexible combinations for different commodities and which will require minimum cost in return transportation.
 - Automated warehousing techniques are coming to harbours. Transport systems will have to be integrated to make full use of the possibilities.
 - Systems utilizing unitized cargo are likely to benefit from developments. Automated techniques will have to be able to pre-load cargo or units which in turn can be formed into bigger units and quickly loaded aboard.
 - It is possible that the stuffing and destuffing of containers in harbours will increase if cost becomes competitive with stuffing containers by industry.
- * Hugh Quigley is a Canadian Freelance writer based in Scotland.

VICTORIA

Finest Accommodation Anywhere?

by Cliff Rabey*

Extracts from a speech at Victoria Urban Symposium, February 2-4, 1989, in Victoria, B.C.

Headlines from *The Daily Colonist* March 25, 1914: "Work to start on new piers: Victoria to have the Finest Accommodation for her Mercantile Trade to be Found Anywhere in the Country".

The facilities in the Outer Harbour, as conceived originally, consisted of four piers and two breakwaters. Tenders were called for the construction of Ogden Point wharves. On March 9, 1914, Grant Smith & Co. and McDonnell Ltd. signed a contract for \$2.25 million; and construction began immediately and continued until completion in March 1918. The actual construction of the breakwater began in 1913 and was largely finished in 1916, permitting the construction of Piers 2 and 3. Since neither Pier 1 nor Pier 4 were ever built, Piers 2 and 3 were subsequently renamed Piers A and B, respectively.

The plans to finish the project as originally envisioned were abandoned and Piers 1 and 4 were never built. This was unfortunate. If the second phase of the original plans had been carried through, or the proposed facelift in 1969 had been

Victoria . . . is beautiful, clean and friendly.

undertaken, we would not be in the fragile situation that we are faced with today. There would be room for everyone at Ogden Point. Seventy years have passed since phase one of construction was completed. We have not suffered from a lack of vision, but from a lack of port management which has taken us from the number one port status in Canada, to a ranking of nonexistence! All reports that I have read indicate that ports with major growth are those in which the port authority has been aggressive in marketing.

With container traffic predicted to increase five fold by the turn of the century, lumber exports predicted to double and the

existence of a strong pulp and paper market, Victoria is a natural feeder port. Feeder systems between ports have been carried on in Northern Europe over the last 15 to 20 years. The concept has spread to North America; and today the feeder service concept has also been aimed at the traffic between ports in the Maritimes and the Northeast US. Victoria has a good chance right now, with the proper development and planning, to pioneer a Pacific Northwest feeder system.

Without proper development, management and marketing of this city's deep-sea port facilities, our community will lose any competitive edge we have that could attract foreign investment into our area.

"Victoria and Esquimalt Harbours: a new perspective", a report by the Business and Industrial Development Commission, July 1987, states: "The question arises about the future of marine operations out of Victoria. Obviously the terminal operator still sees it as financially viable and believes that there is a continuing future for Victoria as a FEEDER PORT. There are no signs that they plan to close down operations and, of course, this is important because the annual payroll is about four million dollars."

The loss of this unique deep-sea terminal, either by design or by default, would close out yet another business base for the community. Once decayed or destroyed, it could never be revitalized because the shipping interest would find other channels without spending capital to recreate or rebuild the infrastructure.

The potential impact of the cruise ships on Victoria cannot be estimated accurately, primarily because a comprehensive economic impact study apparently has never been done. According to "Victoria and Esquimalt Harbours, A New Perspective," some fifty million dollars a year are being brought into our community from cruise ships and freighters. Most cruise ship companies are very selective and naturally gravitate to the port that has the best facilities and provides the most interesting opportunities for passengers, and that gives an impression of really going out of its way to cater to the needs of the ships and their passengers. In other words, a strong, coordinated marketing approach is essential if vessels are to be attracted to a city and



ensure their continued visits year after year.

The efforts that are made on behalf of Greater Victoria are visits by the Victoria A.M. Club, who do Yeoman service without much support. As a contrast, Butchart Gardens and Greylime Tours mount an excellent marketing campaign on board ships. This results in 40% of cruise ship passengers taking the trip to Butchart Gardens. This is indicative of what can be done with good promotion.

Victoria has advantages over any other port on the east coast: it is beautiful, clean and friendly. We have the ability to draw not only cruise ships but also cargo ships. Unfortunately, the mismanagement of Ogden Point is endangering the existence of the cruise ship and cargo business and the expansion of this trade. The location of the Victoria Princess operation has reduced the flexibility of the terminal as a deep-sea port, since the south side can only be used for cruise ships during the period the V.I.P. is out of port. Any increase in the frequency of



- 17% increase over 1987. In fact, container traffic has doubled since 1984, which shows that we have an excellent opportunity to increase cargo movement through the Port of Victoria.

With proper facilities, such as levelling B berth and installing a dock crane, as was part of the plan in 1969, Victoria would be able to develop a competitive deep sea terminal that would benefit our community with its countless spin-offs.

To be able to successfully market a port you need storage and backup land. And to increase cruise-ship business you must be able to guarantee berthing.

To achieve maximum economic benefit for the community, Ogden Point must remain a deep-sea cargo port. As a deep-sea terminal, Ogden Point could revive some of the industrial base which has eroded over the years and renew countless spin-off jobs in our community.

The innovative original planning and engineering done by the Department of Public Works attributed to the longevity of the complex and enabled the terminal operator to adjust and accommodate to the needs of the shipping industry.

A port is an economic powerhouse that both creates economic activity (generating jobs and dollars) and facilitates economic activity by providing an essential link for the economic sectors involved in Canada's import/export trade. Moreover, it makes possible the business operations of a variety of marine and water-related local business. The Port of Vancouver provided direct employment for 8,920 workers, who were paid \$355 million. The port study shows a direct and indirect employment tally of 13,520. Employees at marine terminals earned an average of \$44,500, while municipalities drew in \$22.1 million in revenues. Vancouver generated an estimated \$900 million of labor income throughout Canada, of which 62% remained on the lower mainland. Twelve international cruise lines, made a total of 209 visits to the port with a total of 324,000 passengers.

I ask you to help bring Victoria back into the eyes of the shipping industry. Other ports have done it and are succeeding, we can too by having sound management and marketing procedures that can achieve the maximum economic benefit for our entire community. To remove Ogden Point as a deep-sea port would have an as yet unmeasured, negative economic impact upon our community. We must change with the times or the times will devour us.

In the report from the Business and Industrial Development Commission in 1987, there was a quote from an unknown individual which said "A city needs to be more than flowers and gardens to have true character".

• *Cliff Rabey is President, I.L.W.U., Local 504, Victoria, B.C.

the Princess will totally preclude the use of the south side at any time by any vessels other than ferries. A major step such as this, which permanently affects or changes the use of the port, should be considered in the light of the whole port, its role and its facilities, and what is best in the long-run for greater Victoria.

I consider it essential that a mechanism be put into place whereby decisions which affect the nature, capability and composition of the marine activities in the port are considered in the interest of the port and the community as a whole and are based on an established long-range plan. I believe that the right management body in place, will create a more rational plan to return some vitality and bustle to the Port of Victoria.

Ogden Point has floundered in a sea of controversy since construction was completed 70 years ago. Development plans have been put forth several times and abandoned. The unfortunate thing is that you cannot market what you don't have. We

- sit in the middle of the Pacific Rim shipping structure; the work is out there; what we must do is upgrade and develop our port and then, through aggressive marketing, draw the badly-needed work to the greater Victoria community. I will quote the late George Farmer as saying "we have to build the facility and then we'll be able to attract the work."

- At the present time, Lamford Forest Products in Sooke are preparing to close a deal that will hopefully see 80 to 100 million board feet of lumber being exported through the Port of Victoria in 1989.

- Victoria lies in the middle of the Pacific Rim shipping structure and the international shipping lane passes right by our doorstep. These two factors alone will enable us to increase cruise-ship and cargo business. The congested Port of Vancouver handles only 1/3 of the west coast-bound Canadian containers. Vancouver handled 278,019 containers in 1987, which was a 25% increase over 1986; 324,318 containers in 1988, a

WORLD POLICE & FIRE GAMES

British Columbia Police & Fire Athletic Federation (BCPFAF) hosted the third World Police & Fire Games (WPFG), between July 29 and August 6, 1989, in beautiful Vancouver. WPFG is an olympic sporting event that is held to promote friendly competition, goodwill, fellowship and international relations among police officers and firefighters from around the world. Its founding and governing body, the California Police Athletic Federation (CFAF), was established over 20 years ago by then Deputy Chief Duke Nyhus of the San Diego Police Department.

Second only to the World Olympics in athlete participation at an amateur competition, the WPFG awards first through fifth place medals in age and sex categories for 47 different sports. To compete, an entrant must be an active or retired peace officer or firefighter.

On May 31, 1987, the CPAF invited the BCPFAF to host WPFG III, in the summertime of 1989. The BCPFAF was in close competition with a similar public safety group from Memphis, Tennessee, but "Super Natural" B.C., its people and their world-class sporting and recreational facilities, won the hearts of our southern neighbors.

In 1985, approximately 5,000 male and female athletes from 17 countries participated in the first competition, in San Jose, California. The 1989 Games hosted approximately 7,000 participants from 30 countries competing in 47 events. Three thousand volunteers were responsible for 30 different venues throughout the Lower Mainland.

Again this year, the Ports Canada Police was well represented by ten athletes, who competed in different categories. All ten athletes were from the Port of Vancouver detachment. **Sgt. Micheal G. Toddington** performed outstandingly, winning the gold medal for the 15 kilometers time trial in the cycling event, thereby establishing a world record in the grand master (50 years and over) category. Sgt. Toddington also won a bronze medal in the 800 meters cycling sprint. **Cst. Rudy K. Gruter** won the silver medal in Power Lifting, with a lift of more than 1060 lbs. A third competitor of the



Sgt. Micheal G. Toddington (left) and Cst. Rudy K. Gruter.

- Ports Canada Police team, **Cst. Carmel Doucette**, also won a silver medal for her participation on the ladies basketball team.
- Ports Canada Police encourage activities such as WPFG, as they contribute to the training of the athletes in areas important for Police protection, enhance competition and physical fitness, and most importantly, promote fellowship among peers in the Police and Fire Protection profession.
- *Portus* extends its sincere congratulations to all, wishing them continued success. 



Front row (L to R): Cst. C. Doucette, Cst. R. McLea, Cst. T. Blouin, Cst. R. Gruter, Sgt. M. Toddington. **Middle Row (L to R):** Cst. D. Appleby, Cpl. L. Kozak, Cst. A. Comeau, Cst. W. Taylor. **Back Row:** Cst. A. Naughton, Flag Bearer Opening Ceremony. **Missing:** Cst. Y. Gauthier.

NIGERIAN PORTS

Most Problems with Fewest Solutions

by Hugh Quigley*

There were 44 speakers at the 19th biennial conference of the International Cargo Handling Coordination Association in Stockholm, Sweden. They each presented problems unique to their specialty, usually with possible solutions. The speaker with the most problems and fewest solutions was A.B. Sarumi, a port administrator with the Nigerian Ports Authority.

It seems that Nigeria has had it wrong all along where ports are concerned. There is no single reason for this. It can be blamed on incompetent planning, poor administration, faulty judgement, inadequate transport systems inland. Mr. Sarumi described the situation very clearly without agonizing too much about how things got that way.

"The civil war years, 1966 to 1969, witnessed a close-down of foreign traffic in virtually all Nigerian ports except Lagos," said Mr. Sarumi. "The concentration in Lagos naturally led to the first port congestion and, at cessation of hostilities, it became necessary to requisition private ports in Warri, Burutu and Calabar. The facilities taken over were found to be in a state of decay due to insufficient maintenance and lack of development by the previous owners."

The end of the civil war saw a sharp increase in Nigeria's international trade and port activities. Heavy imports of construction machinery and consumer goods were too much for the port which had not completely cleared the wartime cargo. Capacities of all the ports put together were inadequate to cope with the volume of trade.

At the same time, containerization placed a further strain on Nigeria's transport system. Container units were too large for the country's bridges and it became necessary to unstuff containers at the port, defeating the purpose of containerization. Road carried 80 percent of landed cargo, rail a paltry 20 percent, while the inland water system had still to be developed.

Nigeria's economy was agricultural prior to 1975, and ports were designed accordingly. Export commodities were packaged in 50kg jute bags and were man-handled. Nigeria experienced a sharp increase in trade and port activity in 1975, due to the oil boom and a favourable balance of payments. By August, 455 vessels were waiting for berths at Apapa Port alone. In October 1975, there were as many as 394 vessels, carrying about 27 million tonnes of cargo, waiting an average of 180 days for berths.

"The crippling port congestion of 1975 and the huge amount of demurrage the country had to pay ship owners (estimated at over \$5 billion US) forced the Federal Military Government to assist Nigerian Ports Authority in a port development

- program," said Mr. Sarumi. "Under the Third National Development Plan, 1975-1980, a series of measures were taken, both short-term and long-term."
- The measures included:
 - Rationalization of the inflow of ships of all
- 1979. Over 90 percent of the work force are casuals who prefer to delay ships to maximize their pay. There is a general lack of incentive for good performance, and wages are fixed at below the poverty level.
- About 30,000 dock workers were

CARGO TRAFFIC BY TYPE OF PACKAGING IN NIGERIAN SEA PORTS (TONNES)

Year	Gen.	Container	Bulk Solid	Bulk Liquid
1977/78	9,725,972	843,281	1,706,347	5,839,172
1978/79	10,430,459	1,121,384	2,147,786	6,375,608
1979/80	9,169,271	1,103,580	2,695,681	5,803,701
1980	8,586,636	1,111,278	2,571,055	4,222,715
1981	12,097,363	2,043,712	3,779,438	5,722,203
1982	10,059,862	1,752,652	4,401,836	6,414,879
1983	6,784,289	1,149,079	4,072,613	6,735,228
1984	4,160,277	1,069,343	3,213,618	6,207,864
1985	5,499,674	1,132,716	3,166,757	6,602,864
1986	3,337,967	1,116,371	1,710,554	6,109,687
1987	3,040,646	1,039,117	1,586,615	5,871,212

- descriptions but particularly the erratic tramps.
- Purchase of plant and equipment.
- Encouragement of new technology in shipping and construction of terminals to cope with it.
- Building an instant port at Tin Can Island at a cost of \$302.4 million US.
- Modification in the design of the Apapa wharf extension to include extensive areas for containers.
- Establishment of roll-on, roll-off facilities at Apapa and Tin Can Island.
- The ports were left flexible enough to handle break-bulk cargo as well as containers which were increasing in numbers. The years that followed saw large increases in the numbers of containers, still only seven percent of tonnage was in containers by 1987 and 42 percent was still break-bulk, general cargo.
- "Goaded on by the promises of the ship owners and eager to move forward with technological change, the Nigerian Ports Authority invested more and more on facilities for handling unitized traffic," said Mr. Sarumi. "The container terminal at Apapa has grown into what is perhaps the largest terminal in West/Central Africa sub-region. The multi-purpose Tin Can Island port was built at a cost of \$200 million US, designed to handle three million tonnes of cargo."
- The greatest problem facing break-bulk cargo in Nigerian ports is low labor productivity. Organization and management of labor remains haphazard in spite of a National Dock Labor Board established in
- employed in the period 1975 to 1982, averaging 25 days work per month. Now there are only 8,000 and they average ten days per month. The resultant redundancy has led to militancy by the Dockworkers' Union of Nigeria, and to erratic work-stoppages which seem beyond the control of government ministers and the Nigerian Ports Authority.
- Mechanization of cargo handling is causing reductions in the need for dock labor. The economic fortunes of Nigeria are also reducing the requirement for workers. An unfavourable balance of payments (external debt estimated at \$35 billion US in 1985) caused a decline in Nigeria's demand for foreign goods. In 1981, port traffic was 23 million tonnes; in 1988, it had declined to 11 million. Utilization of Nigerian ports was a pitiable 46.8 percent at the end of 1988.
- "The port facilities that came on stream between 1975 and 1982 not only far outweigh the demands of the period, they are excessive for the foreseeable future," said Mr. Sarumi. "It is rather unlikely that ship owners will succeed in goading the Authority to single-handedly purchase new equipment to match the sophistication of new ships. What may emerge is for the ship owner and the Ports Authority to come to an understanding that new facilities can be jointly purchased or built, jointly maintained or operated, and the skills required jointly developed."
- Hugh Quigley is a Canadian freelance writer based in Scotland.

Nipping on Nippon

by Ginette Morin*

Canadian exporters are becoming much more aware of the trade opportunities with Japan. Canada presently conducts twice as much trade with Japan as with the United Kingdom, four times as that with the Federal Republic of Germany, and six times as much as with France. Since the mid-1980s, Japan has adopted a more import-oriented regime enhancing the competitiveness of Canadian goods in the Japanese market. As a result, in 1988 Canadian imports from Japan amounted to \$9.3 billion and our exports to Japan totalled \$8.7 billion.

The Department of External Affairs has been closely monitoring the developments in our trade relations with Japan. The following is based on information provided by the department on recent developments, which may be of particular interest to Portus readers. Parts of this article are reproduced from a circular prepared by External Affairs officials.

Canada-Japan Business Conference

In May, the Canada-Japan Business Conference held its 12th session in Toronto. The discussions resulted in the release of joint communiqués prepared by the sectoral committees. The following highlights the salient points:

(a) Earnings of coal producers "remain at completely unacceptable levels". The Canadian side pointed out that "more effective utilization of the existing

- capacity is a necessity" if "more competitive transportation rates" are to be achieved;
- (b) Notwithstanding the recent GATT ruling to the contrary, both sides agreed that Japan's eight percent tariff on spruce-pine-fir dimension lumber is unfair and should be removed;
- (c) Significant opportunity exists for increased Canadian exports of remanufactured and value-added forest products;
- (d) The Canadian side noted the "strong potential in Japan" for additional uranium exports; and
- (e) Japanese industry expressed concerns that North American automotive content requirements not be raised above the current 50 percent level.

• **Japan's View of the Canada-United States Free Trade Agreement**

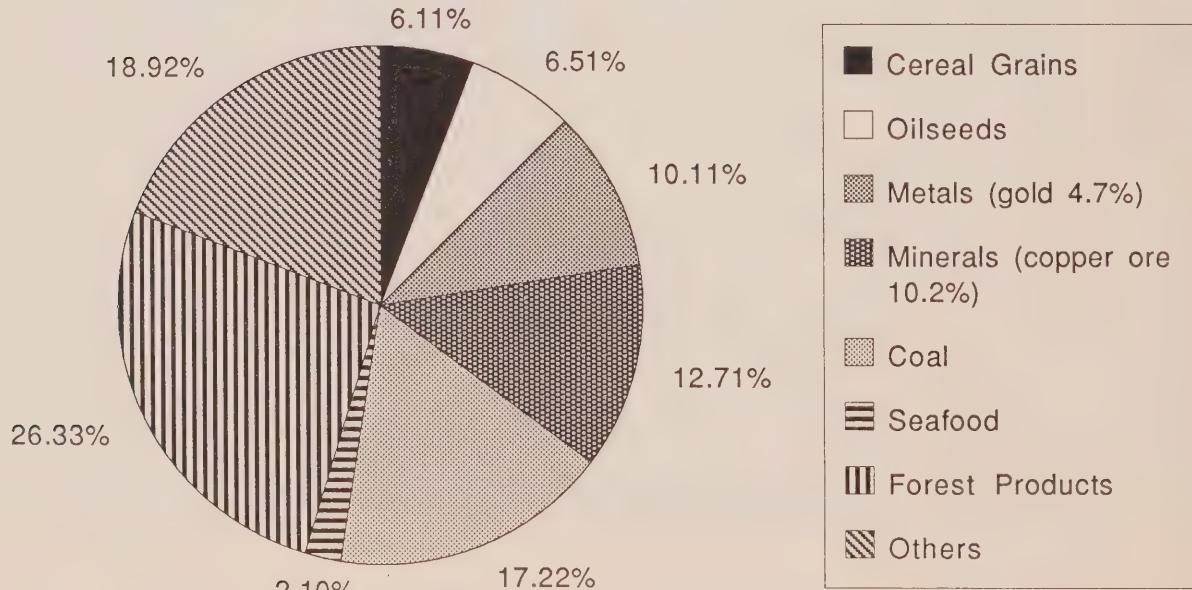
- Mr. Morohashi, the Japanese Chairman of the Canada/Japan Business Conference, presented Japan's position at the 12th session of the Conference in May. He recognized the Agreement's potential for revitalizing the North American economy. However, Japan remains concerned that the FTA and the EC 1992 may represent a drift to economic blocs and weaker multilateral arrangements is also given prominence.
- Ambassador Kitamura, in his remarks to the Conference noted, "Our economic

- relations will be enhanced if Canada can convince Japan that the FTA will have a positive impact on the Canadian economy that will profit not only the parties to the Agreement, but also outsiders like Japan."

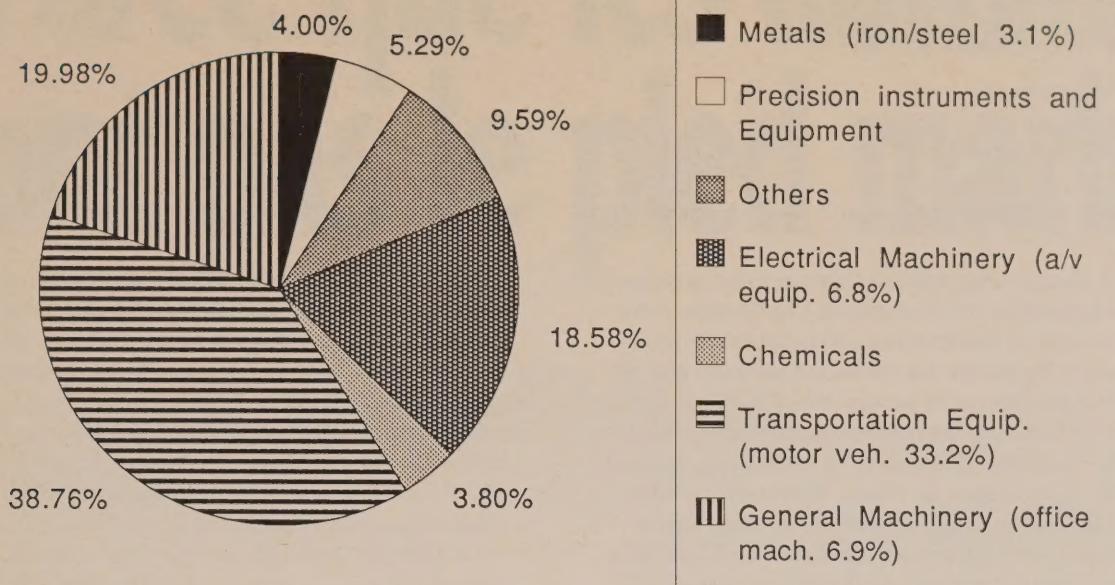
Sectoral Issues In Brief

- In the fish import sector, the Canadian government obtained improved access for Atlantic herring, mackerel, cod, squid and scallops through a notification to the Multilateral Trade Negotiations Surveillance Body in 1988. Canada continues to press for the removal of Japan's import quota system and, in particular, the liberalization of quantitative restrictions on several species.
- Regarding driftnet fisheries interceptions, Canada is intensifying multilateral and bilateral efforts to curtail Asian harvesting of North American salmon. There is concern with the impact on the economy and on the environment of driftnet practices by Japanese, Korean and Taiwanese fleets.
- As a result of Japan's recently liberalized beef market, the Canadian beef industry has formed a federation to promote meat exports to Japan. The beef industry in the Province of Alberta expects to capture a significant share of Japan's beef market. The federation intends to focus on market promotion and access, and regulation issues rather than becoming directly involved in purely commercial transactions.
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EXPORTS TO JAPAN — JANUARY TO APRIL '89



IMPORTS FROM JAPAN - JANUARY TO APRIL '89



On agricultural issues, the Canadian government continues to press the Japanese government to provide access for fresh apples, baled hay, hothouse tomatoes and peppers.

The Japanese Construction and Fire Codes do not allow three-storey wood frame apartment buildings. This excludes wood products from an important segment of their housing market. In response to a request by Canada to open this market, the Japanese have been engaged since 1987 in a five-year technical project studying the enhanced use of wood in construction and the feasibility of amending the Codes.

“Export Opportunities in Japan” Series

The *Export Opportunities in Japan* series of studies is published by the Department of External Affairs to assist Canadian exporters in seizing these opportunities. It pinpoints specific market segments where new Japanese import demand meets proven Canadian capability. It includes market segment profiles, details specific market technical characteristics, documents success stories and provides market bibliographies and key contact lists. The studies are part of a campaign to encourage Canadian companies to update their corporate strategies for doing business with the Japanese.

The series is designed not only as a reference and guide, but also as the basis for future marketing action by Canadian firms, their trade associations and Canadian government departments. The series has been produced in consultation with the Japanese Export Trade Organization (JETRO) and has the support of the Japanese Ministry of International Trade and Industry (MITI).

At the time of writing, there are five studies available to the public that cover Atlantic herring roe, bottled water, processed meat, food services, and retail

- foods and beverages. A further 25 studies are scheduled for publication during 1989.
- **Bilateral Trade Statistics**
- Statistics Canada data reveals that Canada's trade position with Japan in the first four (4) months of 1989 slipped into a deficit of \$132 million. Still, it was an improvement over the \$768 million trade deficit registered in the January-April period of 1988. Canadian exports expanded 17.5 percent to \$3.03 billion and imports from Japan dropped 5.6 percent to \$3.16 billion.
- The largest share of the increase in Canadian exports to Japan came in the food sector, which was up \$229 million or 59 percent to \$615 million. Meat sales grew 35 percent to \$70 million on the basis of a 45 percent expansion in volume and a 6.5 percent decline in prices (beef prices rose 17.5 percent, while pork prices dropped 13.9 percent). Seafood exports were up 75 percent in value to \$61 million due to both volume and price increases. A 75 percent expansion in wheat sales to 495,689 tonnes, in combination with a 26 percent rise in price, pushed the value of this Canadian export up 121 percent to \$126 million.
- Canola sales were up 60 percent to \$182 million on a 38 percent growth in volume to 543,978 tonnes and a 16 percent increase in price. Minerals provided the second largest share of the increase in Canada's total exports to Japan in the January-April 1989 period, rising 44 percent to \$384 million.
- Copper ore sales were up 14 percent in volume and 28 percent in price to boost the value of this mineral export by 46 percent to \$310 million. Forest products, which account for more than one quarter of Canada's exports to Japan, rose in value during the first four months of this year by 6 percent to \$795 million. A 15 percent decline in the volume of lumber sales was more than offset by a 23 percent increase in price to boost the value of this export

- commodity by 4.8 percent to \$301 million.
- The volume of monthly Canadian lumber exports to Japan has been declining since February on a year-over-year basis, reflecting in part a slowdown in Japanese housing starts. Wood pulp exports were up 21 percent to \$332 million on both price and volume increases. Despite a 537,556 tonne expansion in coal sales to 7.49 million tonnes, a 5.6 percent decline in price held the value of this export commodity to a gain of 1.7 percent to \$521 million. The lower average unit price of the coal exported to Japan reflects an increase in volume of lower grade (lower caloric content) coals which Japanese industry is able to utilize due to technological change, including improved blending techniques. Gold metals sales declined 25 percent to \$141 million due to a 9 percent drop in volume to 9.4 million grams and an 18 percent decline in price.
- The drop in Japanese imports into Canada during January-April 1989 came largely in the machinery sector, lead by consumer electronic equipment, motor vehicle engines, metalworking machinery and construction equipment. On the other hand, Canadian imports of such Japanese products as chemicals, computers and toys increased in value.

• Conclusion

- By trading with Japan, Canada has strengthened its presence in the Pacific Rim.
- As we are heading towards what is known as the "Pacific century", our bilateral economic relations with Japan could be further developed, particularly in our manufactured goods sector and investments in high technology. Co-operation on global political and economic issues should also be encouraged
- to strengthen the world's free trade system.
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- **Ginette Morin is Manager, Market Studies, Canada Ports Corporation, Ottawa, Ontario.*

DES FAITS

Refrigerated Transportation

Par Joseph Sinclair

Container Marketing Limited

Londres 1988

136 pages (format 8 1/2 po sur 12 po)

Refrigerated *Transportation* traite de l'histoire et des principes de la réfrigération et de l'évolution de l'équipement et des règlements nécessaires au transport des marchandises réfrigérées. En 1985, la capacité du marché des conteneurs réfrigérés était de 65,2 millions de pieds cubes et les navires réfrigérés en ont transporté 7 millions de tonnes, tandis que les vraquiers réfrigérés, représentant une capacité de 205 millions de pieds cubes, transportaient un volume de 24 millions de tonnes. Bien que la part des conteneurs réfrigérés ne représente que 29% d'un vaste marché (24% de la capacité), elle est allée en augmentant. En fait, dans la flotte mondiale de porte-conteneurs, de six millions d'unités EVP, le marché des conteneurs réfrigérés, évalué à 80 000 unités EVP, est l'un des secteurs qui connaît l'augmentation la plus rapide.

Sinclair débute son ouvrage, à juste titre, en retracant l'histoire et les principes de la réfrigération. En utilisant une terminologie simple et à l'aide de diagrammes, il explique la mécanique de la réfrigération. Il décrit plusieurs des tentatives, réussies ou non, des pionniers qui ont voulu percer sur le marché lucratif du commerce des produits réfrigérés.

La deuxième section du livre traite des règlements et de certains principes empiriques qui régissent le transport de marchandises coûteuses et sensibles à la température. Avec le temps, les produits alimentaires se détériorent. Il existe d'ailleurs plusieurs sortes de détériorations apparentes: physique, physiologique, chimique et pathologique. Afin de les éviter, Sinclair présente un certain nombre de règles empiriques qui englobent les pratiques après la récolte et avant l'expédition ainsi que les techniques d'expédition. L'auteur s'intéresse dans son propos à tous les intervenants susceptibles de participer à la chaîne de transport des marchandises réfrigérées, comme les affréteurs, les opérateurs portuaires, les transporteurs de surface et le réceptionnaire de destination. Tout au long de cette partie de son ouvrage, l'auteur insiste sur les implications financières de la perte d'une cargaison de grande valeur en raison d'une légère variation de température. En outre, les denrées alimentaires périssables deviennent encore plus sensibles à la température quand elles ne sont que réfrigérées et non simplement gelées. Sinclair aborde des questions comme la circulation d'air adéquate, la suppression de gaz nocifs et de gaz de maturation, les systèmes de contrôle de la température et des niveaux d'humidité, ainsi que la réduction de la teneur en oxygène pour limiter le développement des bactéries.

Dans la troisième partie de son ouvrage, l'auteur fait état des progrès réalisés en technologie du transport réfrigéré. Il aborde d'autres modes de transport, notamment le transport ferroviaire, le transport routier et même le transport aérien, mais brièvement, et il se concentre sur l'équipement des conteneurs isothermes et à réfrigération intégrale qui, explique-t-il, ont connu récemment des progrès considérables. Il nous livre aussi un passage intéressant sur l'état de la recherche menée par les chefs de file et les innovateurs de l'industrie.

- Au point de transbordement, les ports jouent un rôle crucial dans le transport des marchandises réfrigérées. Les aspects portuaires du commerce des conteneurs réfrigérés, les terminaux à conteneurs, la logistique des points de transbordement et l'infrastructure intermodale sont également traités dans la section réservée à la technologie. Sinclair insiste sur l'importance de comprendre le débit d'un port, qu'il s'agisse du trafic réfrigéré d'arrivée ou de départ, de même que les besoins actuels et futurs en matière d'infrastructure d'expédition et de transport.

- La quatrième partie du livre porte sur le marché actuel des conteneurs réfrigérés. L'auteur y traite brièvement des différences entre le traitement des marchandises en vrac et celui des marchandises conteneurisées, et il fait allusion aux méthodes permettant de réduire les voyages à vide. Il ne manque pas également de mentionner l'importance des normes et des organismes de réglementation internationaux, dont le rôle est d'autant plus important que les compagnies maritimes et les administrations portuaires tentent de répondre aux besoins variés des cargos réfrigérés en matière de tension électrique et de branchements.

- Dans sa conclusion, Sinclair revient sur des questions comme le besoin accru de normalisation de l'équipement, l'accroissement de l'efficacité de l'équipement, la précision de l'équipement ainsi que la poursuite de recherches qui nous ont donné des innovations technologiques révolutionnaires comme le micro-processeur.

- *Refrigerated Transportation* est un guide intéressant sur tous les aspects du monde du transport des marchandises réfrigérées. Dans une terminologie accessible à tous, l'auteur y aborde les principes de la réfrigération ainsi que l'équipement utilisé et nécessaire dans l'industrie. L'ouvrage de Sinclair est abondamment illustré d'exemples et de tableaux, notamment une étude de 20 pages sur le commerce de la banane, qui aide à comprendre l'industrie du transport des produits réfrigérés. Sinclair couvre tous les maillons de la chaîne de la réfrigération, depuis la préparation après la récolte jusqu'au transbordement à destination du marché final.

- Toute personne qui a à voir de près ou de loin avec les marchandises réfrigérées, de l'analyste commercial de la société de chemin de fer au futur technicien en réfrigération ou encore l'administrateur portuaire, aura avantage à lire ce livre, et ceux qui connaissent l'histoire et les principes de la réfrigération trouveront utile la section "Technology Update". Ce livre n'est pas disponible dans toutes les librairies mais il peut être commandé à l'adresse suivante:

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- *Dan MacKenzie*

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